

## EXTENSIONS OF REMARKS

## REPORT URGES GLOBAL ACTION ON RESOURCES

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. ERDAHL. Mr. Speaker, the New York Times carried an article today—or yesterday—on the report prepared by the State Department and Council on Environmental Quality describing the changes in the world's population and natural resources, and the implication of these changes on the population and public policy.

The findings are very disturbing. It points out that the drastic increases in population will occur in the most disadvantaged countries of the world by the year 2000. And, while we struggle with the many problems of our large cities today, it is absolutely mind boggling to envision a world where 60 cities will have more than a million people—which will be the case by the end of the century. Mexico City will be the largest city in the world with 31 million people. In fact, 12 Third World cities will be among the 15 most populous cities in the world. The impact of the great increase in population will have alarming effects on the environment and political stability.

The message is clear enough. We must intensify our efforts to come to grips with the population explosion in a responsible, humane manner if there is to be a livable world for our children and our grandchildren in the year 2000. I submit the article from the New York Times for the record and I ask my colleagues to direct their attention to the report which I have mentioned:

REPORT URGES GLOBAL ACTION ON RESOURCES  
(By Philip Shabecoff)

WASHINGTON, July 23.—Time is running out for international action to prevent a starving, overcrowded, polluted, resource-poor world, according to a report for President Carter prepared by the State Department and Council on Environmental Quality.

The report, which President Carter ordered three years ago, was described by Administration officials as the most exhaustive and well-documented study ever produced of long-term changes in the world's population, natural resources and environment and the implications of those changes for populations and public policy.

In a letter transmitting the report to the President, the authors warn that they have found "the potential for global problems of alarming proportions by the year 2000," adding, "Environmental, resource and population stresses are intensifying and will increasingly determine the quality of human life on our planet."

The report itself concludes: "If present trends continue, the world in 2000 will be

more crowded, more polluted, less stable ecologically, and more vulnerable to disruption than the world we live in now."

No recommendations for dealing with the predicted problems are made in the report other than urging that the nations of both the industrial and developing worlds, with the United States taking the lead, start now to undertake "determined new initiatives."

The report had been scheduled to be made public tomorrow by the White House, but publication was advanced when an embargo on its release was broken today by the Knight-Ridder newspapers.

As a result of the report, President Carter will establish a new Cabinet-level "Task Force on Global Resources and the Environment" under the chairmanship of Gus Speth, chairman of the Council on Environmental Quality, to insure "high priority attention is given to important global resource, population and environment problems."

In an interview, Mr. Speth said that while the 800-page report presented no startling new findings, "it is in many respects important and, indeed, unique." He continued:

"It is, for example, the first time this Government or any government has made an effort to project the trends in all of these crucial areas at once. It is the most highly detailed and quantified study of these trends and their interrelationship ever made. And it provides the basis for major strides forward for domestic and international policy."

"We have to understand that these are absolutely crucial issues we must address for humanitarian and security reasons," he added.

Asserting that "the world in 2000 will be different from the world today in important ways," the report presents these forecasts on population, income, resources and the environment:

## POPULATION

There will be little slowdown in the rapid growth of the world's population, which will grow from 4 billion in 1975 to 6.35 billion in 2000. The vast majority of the added populace will be in the poorer, less developed countries.

There will also be major shifts of population from rural to urban areas. Mexico City, with a population of 11 million in 1975, is projected to have 31.6 million by 2000.

## INCOME

While the output of goods and services is expected to grow more rapidly in many less-developed countries than in the industrialized nations, the gap between rich and poor will increase because high population growth rates will keep per capita income low in the poorer countries.

While per-capita gross national product is expected to reach \$8,000 annually in 1975 dollars in the industrialized countries and \$14,212 in the United States, in the less developed countries per capita gross national product will average less than \$600 a year, the report states.

## FOOD

Assuming no deterioration as a result of climate changes or other factors, world food production is expected to increase by about 90 percent from 1970 to 2000 and per-capita production nearly 15 percent in the same period. However, most of the increased food

consumption will be in countries where diets already are adequate or better. Individual food consumption in South Asia, Africa and the Middle East will hardly grow at all and in some cases will decline below present levels.

Meanwhile, the price of food in constant dollars is expected to double within 20 years largely because of the rising price of petroleum used in agricultural production.

## FISHERIES

The world fish harvest, an important source of protein, leveled off in 1970 and is not expected to increase by much, if at all, by the year 2000. Despite increased fish farming and the gathering of nontraditional marine species, such as Arctic krill, pollution and overfishing are likely to keep the harvest at no more than current levels.

## FORESTS

Deforestation of the world is proceeding rapidly and per-capita supplies of growing stocks of wood is expected to decline 47 percent worldwide by 2000. The shortage will be critical in cultures that depend on firewood for fuel.

## WATER

Regional water shortages, already serious in many parts of the world, are likely to become worse 20 years from now, in the face of increasing demand for water for human consumption, irrigation and new systems of energy production.

## ENERGY

In the 1990's, world oil production will reach maximum capacity and prices will continue to rise as demand also increases sharply. The burden of energy prices will fall most heavily on the less developed countries.

## NONFUEL MINERALS

There is no projection that any mineral resources will be exhausted by 2000, but prices will rise sharply as will prices for most commodities in a resource-scarce world.

## ENVIRONMENT

The report says that perhaps the most serious environmental problem over the next 20 years will be "an accelerating deterioration and loss of the resources essential for agriculture," including the loss of crop land to erosion and deserts as well as the increasing urbanization of lands now devoted to growing food. The use of pesticides and other chemicals, while increasing yields, now present a broad range of serious environmental threats to crop lands and people.

The heavy use of chemicals also will mean spreading water pollution. Increasing salinity from excessive irrigation is also likely to threaten water supplies.

Despite progress in reducing air pollution, the quality of air is expected to worsen, in the developing as well as industrialized countries, as increased amounts of oil, coal and other hydrocarbon fuels are burned.

One result will be an increase in the amount of carbon monoxide in the air, which many scientists believe will raise the world's temperature with disastrous results. Also to be expected is more acid rain, which is believed to destroy wildlife in freshwater lakes and damage cropland. Increased ozone in the air could sharply increase the incidence of skin cancer and damage food crops.

Finally, the report says, "the world faces an urgent problem of loss of plant and animal genetic resources" through the accelerating extinction of species.

## GUIDE TO GOVERNMENTS

The authors of the study said that public policy in this country and abroad was starting to address some of these problems. They also emphasized that the report was not a prediction of what would actually be the situation in the world in the year 2000 but rather a call and a guide to governments to adopt policies to avert the predicted trends.

"This is not a council of despair," Mr. Speth said in the interview. "We have an opportunity because of this timely warning to address these issues before it is too late."

One of the major lessons to be learned from the report, he said, is that "it is a mistake to view economic development and environmental protection as antagonistic."

The focus of the new task force formed by President Carter today, Mr. Speth said, will be to "build a consensus" in this country and internationally on the course of action that must be taken to deal with the threats described by the report. ●

## DONALD T. CARPENTER

## HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. MOORHEAD of California. Mr. Speaker, last week a southern California community lost one of its most distinguished leaders, Donald T. Carpenter, publisher of the Ledger newspapers.

Mr. Carpenter fought courageously for those virtues in which he believed. He was a true patriot who refused to compromise the welfare of his fellow citizens, his country, or his views.

As an editor-publisher, he received numerous awards, including three George Washington Honor Medals and two honor certificates from the Freedoms Foundation at Valley Forge.

Mr. Carpenter was a friend of mine and thousands of others from our district and community. I include in the CONGRESSIONAL RECORD parts of two eulogies written by Beverly Place and Mike Pottage, who were both employees and friends of Mr. Carpenter.

## PATRIOTIC SPIRIT TYPIFIES EDITOR

(By Beverly Place)

"Eternal vigilance is the price of liberty." That was the motto Don Carpenter had chosen for The Ledger's masthead—a staunch motto that pervaded his editorial commentary through the years.

Former Assemblyman Frank Lanterman said: "Don Carpenter stands as a beacon of freedom, liberty and justice and is a tribute to the nation he has epitomized."

And the spread-winged eagle in The Ledger's front page insignia, Lanterman described as showing "flaming defiance and a spirit of patriotism unashamed."

Now the editor and publisher of The Ledger Newspapers is dead. Don Carpenter, who once said, "Without my family and without The Ledger family, I could certainly claim no success," has lost his valiant battle with cancer. But for so many, there will always be wonderful memories of the man.

He was a man of the mountains and the prairies. He loved the sea. He was a hunter and a fisherman. He collected art, Western Americana, guns, ship and airplane models—and awards.

His favorite reading was politics and history, particularly that of the United States. He loved to give out nicknames. He was a marvelous raconteur. His wonderful sense of humor was as infectious as his ready laugh. He was also a good artist, cartoonist and photographer.

Don Carpenter's files are filled with notes and letters from senators, congressmen, governors, generals, mayors, judges, sheriffs, supervisors and police chiefs as well as the many who vigorously agreed or vehemently disagreed with his editorial stands. He was proud of that—he was being "read."

As Mr. Carpenter's time became more involved with the responsibilities of operating his large newspaper business, he had less time for news reporting. But on everything he wrote, he always closed with "30" to denote the end of the copy—the finish of the story.

And so it is with newsman Don Carpenter, we now write a final "30."

## DONALD T. CARPENTER, 1915-80

(By Mike Pottage)

Respect. The man whose Mostly Political column occupied this space since 1938, received respect from all quarters. He earned it. He gave it.

Donald T. Carpenter guided this newspaper, watched it grow, and with considerable pride, accepted hundreds of accolades from fellow newspaper people and the public.

But the rewards were not just cast in bronze and mounted on walnut. For Mr. Carpenter the rewards came when real community progress was achieved and his newspaper had had a part in that achievement.

Respect. The man and his editorial crusades, for or against, always showed proper respect. Donald T. Carpenter was a family man, a religious man, a man with a historical perspective. He was a traditionalist, a conservative, a crusader. He was a man with historical perspective. It showed in his politics. He never gave a knee-jerk reaction to a crisis, but instead judged the issue from a basic philosophy, a philosophy that emphasized freedom, liberty and individual responsibility. If the issue involved a choice between government programming and individual effort, Mr. Carpenter was for the individual.

There were times when the choice was between a political position and advertising revenue. The decision was easy. Principle came before money. And those who brought the financial pressure learned respect. They came back.

With a national reputation as a conservative newspaper editor and publisher, Mr. Carpenter was the first to endorse Senator Barry Goldwater for president. Robert Taft had been his choice over Dwight Eisenhower. He never wavered in his defense of Joe McCarthy. He criticized those people and institutions that would change the American republic. He was anticommunist. He worked hard for American veterans. He advocated military supremacy and an American-first foreign policy.

At home, he sought to strengthen local city councils and school boards. Federal aid, his editorials always reminded area officials, ultimately bring federal control.

Within the newspaper community, Don Carpenter worked hard to keep governmental institutions open to the press, and thus the public. He once told a joint membership of the Bench, Bar and Media Committee to dissolve. The issues of press freedom and

fair trial were settled with the adoption of the Bill of Rights.

I took a leave of absence for one year to work in Washington D.C., and one evening at the other end of the telephone line was Don Carpenter. "Mike," he said, "Steve is away at school, and I just felt like talking to a son."

Mr. Carpenter, if you don't mind, from time to time I may talk to you. You always were a good listener. RIP. ●

## A HEROIC RESCUE

## HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. MAVROULES. Mr. Speaker, once again I call your attention to a brave and compassionate act committed by one of my constituents that demonstrated remarkable courage.

According to the report of a playmate who saw the incident, a group of children were involved in a fierce water balloon fight in Danvers, Mass., when something started to go wrong. One of the boys accidentally swallowed a balloon he was trying to blow up. He began to choke on the balloon, gasp for air, and he started to turn blue.

It was then that my constituent, young Kevin Carney, came to his friend's aid and dislodged the balloon using the Heimlich maneuver, a choke-saving method he had been taught in school, saving his friend from what could have been a serious threat to his life. I am extremely proud and honored to represent Kevin Carney, and I hope that other children will learn from his courage and strength in the face of a stressful situation. ●

## IRANIAN TERRORISM IN WASHINGTON

## HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. McDONALD. Mr. Speaker, yesterday 19 of my colleagues joined with me in asking the Attorney General to immediately initiate an investigation into Iranian terrorism in Washington, D.C. A copy of the letter that was sent to Attorney General Civiletti is as follows:

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C., July 23, 1980.

HON. BENJAMIN CIVILETTI,  
Attorney General, Department of Justice,  
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: With the murder of former Iranian diplomat Ali Akbar Tabatabai on July 22, by a group evidencing terrorist training and support by their modus operandi we must urge the Department of Justice and the Federal Bureau of Investigation to provide us with reports on the activities of pro-Khomeini terrorist



and terrorist-support groups presently active in the United States.

The activities and potential of these groups to use terrorist tactics in the U.S. obviously poses a threat to the maintenance of law. It also creates a threat to the national security of the United States. Responsibility for preventing terrorist attacks rests with you, as Attorney General, and with your department.

Specifically we wish to be informed on:

(1) The activities on behalf of the Government of Iran and/or Ayatollah Ruhollah Khomeini or any other Iranian principals of Bahram Nahidian of 2046 Kirby Road, McLean, and whether any action has been taken against him under the Foreign Agents Registration Act or any other federal law.

(2) The activities of Bahram Nahidian in relation to the Islamic Center in Washington, D.C.; his attempts to coerce the leadership of that Center by force and his use of that religious institution to cloak political activities of a nature inimical to the interests of the United States.

(3) The activities of Bahram Nahidian and his associates to recruit support from among Muslim and other prisoners in Lorton Reformatory, and in other local, state and federal prisons in various parts of America.

(4) Information related to contacts and meetings between Bahram Nahidian and members and former members of revolutionary groups, active in the District of Columbia; together with known reports of weapons owned or stored by Bahram Nahidian.

(5) The activities of the Iranian Student Association (ISA) and its fronts and splinter groups, including the organization known as the Islamic Guerrilla Association, possibly based in Moscow, Idaho.

(6) The activities of revolutionary groups in the U.S. supporting the activities of the ISA, including but not confined to the support provided by the Workers World Party (WWP), the Socialist Workers Party (SWP), the Communist Party, U.S.A. (CPUSA), the Communist Party, Marxist-Leninist (CPML), and the Revolutionary Communist Party.

(7) The activities of persons serving as diplomats in Washington, D.C. for the governments of Libya and Afghanistan in support of groups listed in paragraphs 4 and 5 above.

(8) The activities of diplomats, accredited to the United Nations in New York City, representing the government of Libya, Iraq and Afghanistan, and representatives of the Organization of Arab States and the Palestinian Liberation Organization (PLO) in supporting financially and logistically any activities of groups listed in paragraphs 4 and 5 above.

It would be appreciated if you would provide us with an initial response to this letter on or before July 31, 1980.

Sincerely,

John H. Rousselot, Benjamin Gilman, John Ashbrook, Larry P. McDonald, Thomas Kindness, Mendel Davis, Eldon Rudd, G. V. Montgomery, Tennyson Guyer, Daniel Crane, James Collins, Carroll Hubbard, Don Young, William Dannemeyer, Ron Paul, Lester Wolff, Philip Crane, Sam Devine, Richard Shelby, and Kenneth Robinson.

Members of Congress. ●

## THE TWO FACES OF THE IRS

### HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. HANSEN. Mr. Speaker, the tax collector should collect revenues due to the Government and administer tax laws fairly and impartially. Nowhere was it intended for the Internal Revenue Service to abuse citizen rights and cheat them out of their money. And yet we are witnessing a continued IRS metamorphosis from the dutiful servant into a dangerous and provocative role of Dr. Jekyll and Mr. Hyde.

The following article in the May 1980 edition of *Saturday Review* by investigative journalist Blake Fleetwood outlines the grave departure from acceptable practices the IRS is too frequently taking:

#### THE TAX POLICE TRAMPLING CITIZENS' RIGHTS

The IRS does a good job of collecting America's taxes—too good a job. In its zealous pursuit of revenue, the agency will do just about anything: pick locks, bug phones, spy on you. And if you're not terrified enough by that, there's always the audit.

It is a land ruled by Draconian laws. There people are guilty until proven innocent. Even when you've done nothing wrong, it is wiser to confess and pay a large fine than to hire a lawyer to establish your innocence. Agents of the regime routinely seize homes, businesses, cars, bank accounts—even before the victims are told what they have been accused of. The incomprehensible laws change all the time, according to whether you live in the city or the country; when new laws are made the regime won't disclose them to the citizens. If you need help, the rulers will gladly give you advice, but they don't promise that the advice is sound. If they feel like it, they can prosecute you for doing exactly what they told you to do. And if the regime is after you, there's nothing it won't stoop to: It will bug phones, pick locks, hire women to prostitute themselves, and use a variety of methods to spy on your private life.

This is no foreign, totalitarian land. Its borders are coextensive with the United States. It is the land of the Internal Revenue Service (IRS), an agency that has so much raw naked power, it has become virtually a law unto itself. It is responsible to no one.

Consider the case of James White, a carpenter. White was working in the home of a man who had been arrested the night before on a drug charge. IRS agents rushed up and confiscated the carpenter's car, which was parked in the driveway—despite documentary evidence that the automobile did not belong to the person the IRS was after. It took eight months, \$1,500, and a federal court order for White to get his car back. And the frightening thing about the incident was that the IRS agents were acting completely according to the law. They can take anybody's property, anytime, and it's up to you to prove that they are wrong.

Or consider James Thun, who, after 20 years of hard work, turned a bushland into a thriving airport. He has assets on paper worth more than \$2 million. Then the IRS started harassing him, with seizure-liens, assessments, penalties and interest, and legal fees. Trouble is, he sold the airport for

annual payments, but the IRS wanted all of its money right away. He was audited every year from 1969 to 1977, paid over a quarter of a million dollars in taxes, and is now bankrupt. The IRS still claims that he owes over \$200,000.

Or Michael Wolstencroft, the resident manager of the Castle Bank in Nassau, who in a recent affidavit testified that he had sexual relations with Mrs. Sybil Kennedy several times, "including the night of January 15, which I spent with her." Mrs. Kennedy was a paid IRS informant. Her assignment that night was to keep Wolstencroft busy so that other agents could photocopy the contents of his briefcase. Mrs. Kennedy was paid \$200 to \$300 for her services.

Or a case described recently by columnist Nicholas Von Hoffman in which the IRS sent Mrs. Virginia Wright, a mother of five, to jail for owing \$11,661 in back taxes. The poor woman made \$10,000 a year as a practical nurse and had been unable to make ends meet. Why had she been selected? The answer, according to Von Hoffman, has a lot to do with public relations. Every March, the "tax gangsters" of the IRS flood the mass media with stories about the horrible things that will happen to you if you don't pay up. So, although Mrs. Wright offered to pay her due taxes in installments, the IRS didn't want to accept because "she had been selected by the bureaucratic roulette of cruelty to play the part of Terrifying Example."

The IRS claims that these transgressions have stopped, that the agency is behaving itself today. However, a four-month investigation by *Saturday Review* has revealed that abuses are still common.

Last summer, for example, two IRS agents put on a brutal display in full view of dozens of onlookers and news photographers. While Stephen and Mona Oliver sat in their Volkswagen, the agents smashed in the car windows and dragged the couple over the broken glass, leaving them bruised and bloody. A tow truck hauled their car away. The IRS assessed them \$4,700 for their 1977 taxes without giving a reason and moved immediately to seize their car.

Unfortunately for the Olivers, they live in Alaska, one of three easy-seizure states (Nevada and Ohio are the other two). If you live in one of these states, the IRS is two or three times more likely to use seizures and levies to "settle" delinquent accounts than in Georgia, Kansas, and Wyoming. The seizure rate is also high in Montana, Vermont, and Minnesota.

The IRS monster has been out of control for decades. The first indication that the agency was overstepping its authority was in the 1930s, when it came to be regarded as a weapon against organized crime. The Justice Department could not dispose of mobsters like Al Capone and Frank Costello within the traditional bounds of American jurisprudence. So it recruited the IRS to do the dirty work. Now using the IRS to put mobsters in jail is not something most of us, except the American Civil Liberties Union, can get very upset about, but it set the precedent. The agency began being employed for political and economic ends, far from its main function of collecting revenues impartially. In the Fifties the IRS was used against leftists and Communists. In the Sixties the "get the Mafia" campaigns of the Justice Department relied heavily on IRS special agents and their powers. In the Seventies suspected drug dealers were liable to confiscation of all their property without any hearing whatsoever. The trend culminated in the Nixon years. The agency was unleashed against the President's enemies; Federal Strike Forces, with the help of special agents and broad-based conspiracy laws,

harassed virtually anyone they wanted; and the agency launched operations Haven and Leprechaun, which spied on people's private lives.

A few years ago an independent government-sponsored study concluded that the IRS is frequently "whimsical, inconsistent, unpredictable, and highly personal." The secrecy of its procedures and rulings, the report claimed, has resulted in "dissimilar treatment of similarly situated taxpayers." The study said that the authority Congress has given the IRS makes its agents among the most powerful in government.

Attempts to curb the IRS have proved futile, for the organization is not subject to the system of checks and balances. This is not to say that there have been no reforms, but rather that they have been largely cosmetic.

The fate of two legislative investigations of the IRS shows the extent of the agency's power. In the mid 1960s Senator Edward V. Long (D.-Mo.) conducted an exhaustive three-year probe into the IRS. The Senate subcommittee he chaired found that the IRS defied court orders, criminally picked locks, stole records, illegally tapped phones, opened mail, and that much of this lawlessness was encouraged by highly placed Washington officials. "The IRS," Long said, "has become morally corrupted by the enormous power which we in Congress have unwisely entrusted to it. Too often it acts like a Gestapo preying upon defenseless citizens."

What happened to Ed Long? His tax returns were illegally leaked to Life magazine months before his reelection campaign in 1968. All sorts of irregularities were suggested. Long was cleared by a Senate subcommittee and never did have any tax problems, but his 38-year political career was destroyed. Although he had never been beaten in a political race before, he lost the Democratic nomination to Thomas Eagleton.

"He caught it across the chops and we never finished the investigation," according to Bernard Fensterwald, the prominent Washington attorney who was chief counsel for Long's committee. "It taught other people not to investigate the IRS." Fensterwald was himself audited for years afterward—in retribution for the investigation, he believes. "Senators and congressmen not scared of looking into the IRS have to be crazy, because the IRS will just ruin your career. If I worked for one I would sure advise him against investigating the IRS."

Only one senator was brave—or foolish—enough to take on the agency again: Joseph Montoya (D.-N.M.) of Watergate fame. Montoya chaired a Senate subcommittee that had jurisdiction over IRS spending. In 1972 he started looking into IRS abuses and was branded in a confidential IRS memo as a "dangerous protester." But Montoya had just been elected to his second term in 1970 and wouldn't be up for reelection until 1976, so the IRS apparently decided to bide its time. It publicly announced that it had gone through the senator's tax returns from 1966 to 1972 and found nothing to warrant an audit. Montoya continued to hold hearings on IRS abuses. In 1974, one day before Barbara Hutchinson, who had spoken publicly against the IRS, was due to appear before his subcommittee he was visited by tax agents. They informed him that Mrs. Hutchinson was unfit to testify because she was under psychiatric treatment. This was untrue. She had never undergone psychiatric treatment—not, that is, until after she testified before Montoya that the IRS used mental hospitals to repress dissent. Shortly after her appearance, she was convicted of omitting the signature of a tax expert on her return, despite the fact that her attor-

ney had signed it, and was hauled away for a 90-day psychiatric evaluation. Only through the efforts of Senator Montoya, Senator Mark Hatfield (D.-Ore.), and the Citizens Commission on Human Rights was she able to regain her freedom.

Months before Montoya's reelection campaign in 1976, the IRS struck again. The ground was well prepared. The year before, the agency had leaked stories that Montoya was being shielded from an audit by the IRS commissioner. The news of an audit mysteriously found its way into Jack Anderson's syndicated column. Cover-up and tax irregularities were alleged. Montoya had no chance to defend himself. The Republican opposition made use of the burgeoning scandal and Montoya lost the election, his first defeat. It was the end of a 40-year career in public service. Mysteriously, as in the Long case, no tax irregularities were ever found in his audit. In fact, according to Montoya aide Doris Ulman, the IRS discovered that they owed him money.

The IRS has also managed to frighten much of the nation's press with its unlimited auditing power and its ability to find something wrong, somewhere. (According to an IRS memo, "Agents should be able to discover errors in 99.9 percent of all returns if they want.") Overwhelmingly, the evidence shows that journalists and newspapers are audited after criticizing the agency, though the IRS has steadfastly refused to admit that anything out of the ordinary has happened.

Take the case of Ernest Bromley, former editor of the Peacemaker, who advocated nonpayment of taxes for war and armaments. The IRS promptly began harassing him and eventually confiscated his house. The reporter who detailed Bromley's problems for the Cincinnati Enquirer was himself audited presently but could not prove that the audit had anything to do with his story. Bromley ultimately won his battle in court and the house was returned to him.

Playboy magazine, which first wrote about the Bromley case in a biting article attacking IRS methods, soon thereafter found itself facing a tough IRS probe. Three months after the article was printed in April 1976, the magazine was assessed \$7.7 million following the IRS's refusal to accept Playboy's deductions. Subsequently the magazine was told to pay \$13.6 million for 1970-76. Playboy continues to contest the agency's assessment.

Perhaps the best investigation of the IRS, however, was conducted by ABC in an hour-long documentary in 1975. Highlighting the many abuses of the IRS, the show demonstrated that Congress had been negligent in overseeing the agency. The program also called for restrictions on the IRS's right to seize property. (In 1976 Congress did enact laws designed to insure the confidentiality of tax returns and cut back on some of the seizure powers.) Two weeks after a screening for the IRS, the documentary's writer, Paul Altmeyer, was called in for an audit, and dunned \$2,125.09. It took him a year, a dozen letters, and hundreds of phone calls to straighten out the matter, despite the fact that Altmeyer was able to take his case directly to the commissioner. After his vigorous protest, the IRS decided that, in fact, what he really owed was \$51.47. He was audited once again, and then the audits stopped just as suddenly as they began.

Under the Freedom of Information Act, Altmeyer discovered that the IRS had compiled a nearly 100-page dossier on him, almost all of which was assembled after the program was aired. Many of the documents were classified, but he nevertheless felt that the handling of his case was suspicious: "I have no way in hell of proving that the

show kicked off the file," he says, "but I found some unusual patterns in the way it was switched from office to office."

Hank Greenspun, publisher of the Las Vegas Sun, also investigated the IRS and was continually harassed. "Whenever a paper prints something other than IRS releases verbatim," he stated, "they themselves become targets of harassment. No publisher or editor is immune from an audit. The research in our series has shown that any newspaper that wrote anything critical of the IRS has been submitted to an audit, and this scares them off."

Organizations that have traditionally fought for citizens' rights have chosen not to tangle with the IRS. The ACLU, for example, has never really contested IRS dogma, which holds that the taxpayer is guilty until proven innocent. Ralph Nader's group, Public Citizen, documented many IRS abuses, but lately has been silent on the subject.

Moreover, tax lawyers and accountants—the only people in a position to know what the IRS is doing—have been intimidated into silence. E. Edward Stephens, who writes a tax column for the Washington Star, says: "They don't complain because the IRS has the power to destroy their business." Recently the IRS instituted a new rule requiring every paid preparer to append his social security number or his IRS identification number to every return he works on. The agency maintains a Problem Preparer's List and can quickly audit all the clients of a particular lawyer, thus forcing him out of business. Another new rule makes every tax preparer liable to a \$100 fine for even an honest error. (For fraud, he can be hit with a \$5,000 fine and/or five years in jail.) Given the complexity of the tax laws, "errors" can be found on all but the simplest returns. The net effect is to discourage accountants from advising their clients on legitimate deductions. It forces them to be what former Internal Revenue agent Paul Strassels calls "part-time employees of the IRS."

For instance, an attorney in Greenwich, Connecticut, patiently answered questions about his tax returns until the IRS demanded all his records. "You have no right to them; they contain confidential information," he said. So the IRS arbitrarily disallowed his legitimate business deductions for three years and claimed that he owed the government \$27,703.52. It seized his bank accounts, ordered tenants of a cottage that he owned to pay their rent to the government instead, and confiscated his boat. After hounding him for more than two and a half years, the IRS decided that he owed nothing at all.

The case of Chicago accountant Howard F. MacNeil is especially chilling. He was assessed \$36,000 personally for the taxes of a corporation that had been one of his clients. MacNeil refused to be bullied into a "compromise" and the IRS, as it has the power to do, without any court proceeding, attached his bank accounts and posted signs around his house proclaiming "Keep Out—Property of the U.S. Government." He lost his business and went into debt as he waited years for his case to come to court. At the trial he was completely vindicated, but in the meanwhile the IRS had completely ruined him.

Despite the odds, there have been effective campaigns against the IRS. Susan and Philip Long, a modest couple from Bellevue, Washington, have been locked in a winning struggle with the agency for the last decade. In 1969 Long, a small real estate developer, was audited and assessed \$38,144 in addition to the \$21,412 he had already paid over a previous three-year period. He found out



from friends that this is a typical IRS opening gambit. If you fight them, he was told, they will settle for one-third or less of their original claim. But Long was a totally honest man. He didn't owe the money. He couldn't afford a lawyer, but that didn't stop him. He went after the agency, all the more after it threatened to seize his property if he carried his fight any further.

With Sue Long doing most of the legal work, the couple sued under the Freedom of Information Act to see how the IRS reached its conclusions. The IRS claimed that detailed knowledge of its procedures would make it easier for people to evade the regulations, a line of argument that had been upheld by numerous courts. The Longs replied that they just wanted to know what the regulations were, seemingly a simple enough request, yet it was a million-to-one shot that they would prevail. The Longs were not to be thwarted, however. After spending \$20,000 and 10 years of their lives on the matter, a series of landmark cases forced the IRS to reveal some of its regulations. The Longs' own case was not settled until 1977, when the U.S. Court of Appeals upheld Philip and Susan Long's original contention that they didn't owe the IRS anything.

Because invoking criminal sanctions would bring taxpayers under the stringent demands of due process, the IRS prefers civil penalties: Less than one in 10,000 IRS actions involves criminal penalties. As long as cases remain in the civil area, taxpayer rights are practically nonexistent.

Nor is the average wage earner in a position to defend himself legally against a \$500 or \$600 IRS claim. (The average recommended deficiency for a field audit is \$2,584, and for an office audit \$220.) The cost of a decent attorney prohibits contesting such relatively small assessments. Hence, it is easier for the IRS to zero in on defenseless middle-class taxpayers than to indict tax criminals or tax evaders. For 20 years the IRS has denied that it has a quota for auditors, but testimony and memos made public by dozens of ex-auditors belie the assertion. They are simply very careful not to call it a quota. Auditors are under great pressure to produce, and the middle-class and often the poor bear the brunt of IRS effort, since they are its most helpless victims.

Most of the abuses of the IRS are well known within the agency, and serious efforts at reform have come from the commissioners as well as from low-level agents. Unfortunately, the attempts have been doomed to failure in the face of the bureaucratic powers that be. The problem is that the commissioners, usually tax lawyers with little administrative or political experience, are in an impossible position. They serve an average of three years with no independent staff and have virtually no way of finding out what's going on. Agents, through their union, and ex-agents have also complained about IRS abuses, including the "nonexistent quota system" and the severity with which the agency interprets the law, but the pressures from the bureaucracy have been too great.

In fairness, it must be noted that the agency is trapped in a situation not wholly of its making. People have been getting angry at the tax system for a variety of reasons—the inequity and complexity of the tax laws, as well as the tangential factors of recession and disillusionment with government spending—and this is forcing the IRS to pursue revenue ever more vigorously. (A national Roper poll found that 64 percent of the respondents thought that the tax system was "totally unfair.") Signs of tax unrest are everywhere. The speed with which Proposition 13 fever spread across

the country may be equaled by Howard Jarvis's latest proposition, which would cut state income taxes in half. In Alaska, tax rebels are trying to do away with the state income tax altogether.

More ominous for the IRS is the tremendous amount of nonreporting. Recent studies have shown that cash businesses—boutiques, restaurants, bars, shoe stores, etc.—routinely cheat on their taxes. The agency itself admits that 48 percent of independent contractors (people whose taxes are not withheld from their salary) report no income whatsoever. A "cash discount" has become commonplace; it works for television sets, doctor bills, carpenters, and just about everything else. This underground economy represents by some estimates as much as \$250 billion a year, 10 percent of the entire U.S. economy.

The response of the IRS bureaucrats to the growing discontent takes several forms. On the one hand, they deny that anything is wrong. They know that the more people hear about other people not paying taxes (the rich with loopholes and the poor by living "off the books"), the more such behavior will be imitated. And they like to point out that we have the best "voluntary" tax system in the world—97 percent of all revenues are sent in freely. On the other hand, the agency has been asking for more money and sweeping new powers from Congress to clamp down the anti-tax behavior. Last year the IRS added 750 auditors to cope with the growing tax rebellion. Since 1969 the cost of operating the IRS has tripled, even though they are doing fewer and fewer audits.

If the problem, then, is the progressive tax system itself, the question that must be asked is: What is there to replace it with? Many people have proposed the Value Added Tax (VAT), essentially a large sales tax that prevails in many Western nations, as a reasonable alternative. Indeed, Representative Al Ullman has introduced a bill in the House that would impose VAT on goods and services. Another possibility has been put forth by free-market economist Milton Friedman. He claims that current tax rates, which range from 14-70 percent are "window dressing." He proposes a flat 13 percent tax; the revenue yield, he says, would be the same.

The basic argument against these two proposals is that they favor the rich. But under the present setup the loopholes are so obvious that only fools pay the full 70 percent. The brunt falls on the middle-class wage-earner (presumably under any flat system, people with low incomes would be excluded from paying taxes at all).

One editorial called the U.S. tax system "organized insanity, administered by the asylum's inmates." The trouble is that "progressive" taxation rests upon a jerry-built structure of incomprehensible, unenforceable, and inequitable laws. Until that changes, the Internal Revenue Service will keep terrorizing the citizens of America.●

REPRESENTATIVE CHARLIE  
BENNETT PRAISED

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. CHAPPELL. Mr. Speaker, on many occasions the Members of this House are the recipients of criticism from the press and other news media. It sometimes may make us critical of

our country's great institution: the free press. Yet, it is equally true that it is the press which calls public attention to the truly commendable achievements of our colleagues. Such a case is the July 10, 1980, Ocala Star-Banner editorial on my esteemed colleague from the Third District of Florida, Representative CHARLES BENNETT.

AN ENVIABLE VOTE RECORD BY BENNETT

You've got to hand it to Rep. Charles Bennett of Jacksonville. For someone who wears a heavy brace on his polio stricken leg and uses a cane, the veteran lawmaker has fashioned a truly remarkable record in Congress.

He is the Lou Gehrig among the nation's lawmakers, having completed 29 years in the House of Representatives without missing a single legislative roll call vote.

This would be an outstanding record for anyone to accomplish. The fact Bennett as a polio victim was once told he could never walk again, makes his achievement all the more significant.

A member of the House since January 1949, Bennett has compiled a voting record that's not likely to be equaled or even approached anytime soon, if ever.

Although it's considerably more difficult for him than his colleagues to get to the House floor to vote within the 15 minutes allowed by the rules, he has answered over 12,500 roll calls, including in excess of 8,337 recorded votes and more than 4,172 quorum calls.

Actually, Bennett's disability is the driving force behind his voting performance. He was determined from the start of his congressional career to prove the brace and cane would not slow him down in representing his constituents.

Bennett has no intention of easing up after all these years and after having convincingly proven his capabilities to make it to the chamber on time for roll call votes. "I plan to keep on responding to the roll calls as the best way of insuring that my constituents have a say in every matter before the House," he says.

There is a blemish, however, in what otherwise would be an unbroken string of participation in all types of congressional votes.

Back in February 1974, he missed a procedural roll call vote by several minutes. He had been told there would be no more roll call votes that day, so he left for home. After a roll call had been demanded unexpectedly on a motion to adjourn, one of his aides frantically tried to track him down. But despite rushing back, he arrived several minutes after the vote had been concluded.

Even so, that single instance does not detract one bit from what truly is a remarkable voting record in an era when absenteeism frequently is high in both the House and Senate.●

SHOULD FOREIGN STUDENTS  
GET HOUSING SUBSIDIES?

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. VENTO. Mr. Speaker, the House today approved an amendment I offered with Mr. SABO which will prohibit nonimmigrant foreign students from receiving Federal housing subsidies. I include in the RECORD the articles from the Minneapolis Tribune

which brought this situation to my attention. I am pleased that the House approved this amendment and I wish to inform my colleagues that I will offer a similar amendment to the Housing and Community Development Act Amendments of 1980 when it is considered by the House. The following article was the first in a series of two articles; I will include the second article in tomorrow's RECORD:

**SHOULD FOREIGN STUDENTS GET HOUSING SUBSIDIES?**

(By John Kostouros)

When Mark Stoffer and Reed Bible separately but coincidentally discovered that many—probably hundreds—of foreign students living in the Twin Cities are receiving federal rent subsidies that can amount to hundreds of dollars a month, they were shocked.

So, apparently, were officials of the Department of Housing and Urban Development (HUD), which administers the rent subsidy programs for low-income people. Foreign students must pledge that they can support themselves and that they will not become charges of the government in order to get permission to study in the United States.

Ever since, HUD has been scrambling—so far unsuccessfully—to find a way to stop the subsidy payments, according to department officials.

Even though officials from both agencies say the students should not be allowed to receive the subsidies, that payment of any public monies to foreign students violates the spirit if not the letter of the laws governing student visas, officials say current immigration and housing guidelines are unclear about how to stop foreign students from receiving the subsidies.

"I think the students are really enjoying a loophole in our laws and regulations," said Gerald Coyle, director of the Twin Cities immigration office.

Stoffer, a criminal investigator for the immigration service, found out about the rent subsidies while he was investigating charges that a student and his wife were employed, a violation of their student status. His investigation convinced him that foreign students have been collecting housing subsidies for years, and that the payments are widespread. Stoffer has been working with HUD to try to stop the payments.

Bible, the coordinator for assisted housing at the Cedar Square West apartments, discovered the same thing last year soon after he began working at the complex.

A list of tenants receiving subsidies at the complex shows that as many as 200 foreign students living there are receiving rent subsidies. Some are paying as little as \$48 for apartments that normally rent for \$280 to \$400.

When Bible, a law student, complained to HUD about the situation, HUD officials first told him to stop putting foreign students on the subsidy program. But in mid-June, just six weeks later, HUD official Doug Strandness retracted the suggestion, telling Bible that HUD's central office had ruled that the subsidies could not be denied just because the applicants were not American citizens.

That ruling effectively tied Bible's hands. He was forced to resume placing foreign students in subsidized apartments. Meanwhile, the waiting list for the 600 subsidized apartments at the 1300-unit complex remains long, from five to eight months. The three subsidy programs being offered at Cedar Square West are supposed to aid low- and moderate-income families.

(Rent subsidies, which are parceled out to cities on the basis of need, have always been in short supply in the Twin Cities. Housing officials say that the demand for housing assistance now is very high because of a shortage of affordable rental housing and the impact of the recession on family earning power and unemployment.)

The subsidies, which vary according to the program and the applicant's family size and stated income, can be substantial. One Taiwanese student is paying \$107 a month for a one-bedroom apartment that normally rents for more than twice that much.

An Iranian student with a wife and two children pays \$46 a month for a two-bedroom apartment that normally rents for more than \$300. Iranians make up the largest group of foreign students living at Cedar Square West, according to documentation provided by the management. Forty-one subsidized apartments are rented to Iranians. Korean students account for 36 units, more than twice as many as the third largest group.

Nobody disputes that many of the students need help, although everyone contacted had heard stories about foreign students living affluently while receiving the rent subsidies. And Bible has known of students who have put the names of other foreign students on the waiting lists for subsidies, even before the student has arrived in the United States.

"That way when the student arrives, he doesn't have to wait long to get an apartment," Bible said. Applicants can register by mail.

But the real issue, according to Bible and the government, is whether the government should be subsidizing the housing of foreign students when it cannot provide for the needs of American families.

HUD officials say no, but protest that federal law prevents them from withholding housing subsidies on the basis of citizenship. Congress must change the housing laws before the department can act, they say.

Immigration officials say no, but admit that they have yet to try to take action against a foreign student who has applied for and is receiving a rent subsidy.

"But we intend to," Coyle said. The only action the department can take against a student is deportation, he said, and that cannot be accomplished without taking the student before a special immigration judge.

And immigration officials say they are not even sure what will happen if they try to deport a student for getting subsidies. The laws that govern entry into the United States clearly state that a student must intend to support himself when he gets here, according to Coyle. But once the student has arrived, the laws governing deportation are less clear.

"If we can get them to publish federal regulations stating that it will be a violation of student status to accept subsidies, then we would have them on a violation of status," Coyle said. Not everyone agrees that the students should be prohibited from getting subsidies.

"During their stay in the United States a small number of students have something happen that prevents them from supporting themselves," said Wadad Alsuwayeh, president of the Minnesota International Students Association (MISA).

Students who come to the country fully intending to support themselves sometimes find themselves in a bind because of political changes back home, or changes in family situations that prevent family members from continuing to support the student, he said.

"I can't think of one example of a student who gets assistance who does not need it,"

Alsuwayeh said. "I don't see anything wrong with a student getting financial assistance if it is needed."

American students studying abroad often get help from the governments of their host country, Alsuwayeh said. "I think the same standards should apply here."

## TURKISH INVASION OF CYPRUS

### HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Ms. FERRARO. Mr. Speaker, this past Sunday, July 20, marked the sixth anniversary of the Turkish invasion of Cyprus. I was not a Member of this body when it voted to lift the arms embargo on Turkey. I doubt whether I would have been persuaded by the arguments that by doing so we would come closer to a solution of the Cyprus problem. With hindsight, however, it is easy to see that the lifting of the embargo has not led to a resolution. I am inserting in the RECORD an editorial from the July 5, 1980, New York Times. It needs no further explanation or clarification, as it eloquently speaks to the issue. I commend the article to my colleagues and constituents and hope that we bear in mind the closing thought in the editorial: "In the matter of Cyprus, it is Turkey's turn to give."

#### TURKEY'S TURN

When the NATO ministers gathered in Ankara last week, it was simply Turkey's turn to serve as host; the site had no special significance. But the circumstances were special. Turkey's NATO partners have dug deep to help an afflicted ally. In addition to loans of more than \$1 billion from 25 industrial nations, Turkey is also getting a credit of \$1.65 billion from the International Monetary Fund—the largest, in relation to a country's quota, that the I.M.F. has ever extended.

These outlays show that the alliance is well, and generous when it comes to bailing out a troubled democracy. That achievement contrasts sadly with the alliance's failure to budge Turkey's stubbornness when it comes to Cyprus, scene of a long conflict that endangers the eastern flank of NATO.

Turkey occupies a strategic bridgehead between Europe and the Middle East, sharing frontiers with Iran, Iraq and the Soviet Union. Geography partly explains why the West has committed billions to a minority Government in a society shaken by violence. The monthly death toll has reached 200, double that of a year ago. And there are at least 47 terrorist factions—half of them leftist, the remainder a miscellany of separatists and religious or right-wing zealots.

What tilted the balance in Turkey's favor was Prime Minister Demirel's uncommon pluck in carrying out unpopular reforms. Since January, he has scrapped the subsidies and protectionism that hobbled a low-growth economy. At the cost of short-term hardship, his austerity plan paid for the oil Turkey needs to move production into low gear. If Mr. Demirel can survive parliamentary challenges without making crippling compromises—as he did, narrowly, on Wednesday—he may bring Turkey out of the infirmity.

Yet that other trouble, Cyprus, persists. It is now six years since Turkey invaded



Cyprus, carving the island into inequitable parts and uprooting 180,000 Greek Cypriots. Turkish Cypriots make up 18 percent of the population but control 37 percent of the land. They have repeatedly rebuffed attempts to unite them with the Greek community in a federal structure. This stalling feeds fear that the Turkish Federated State of Cyprus will declare itself independent and scuttle unification talks.

Moral considerations aside, the issue has poisoned Turkey's relations with Greece and thereby weakened NATO. No one can reasonably ask Prime Minister Demirel to produce a "solution," but he could at least help bring about a resumption of talks between the two national communities on Cyprus. In propping up Turkey's economy, no diplomatic conditions were imposed on Ankara. Yet the allies' concern obviously extends to political as well as monetary equities in the region. In the matter of Cyprus, it is Turkey's turn to give. ●

### OUR FLAG CAN RESTORE OUR SPIRIT AND OUR SOULS

**HON. EDWARD J. MARKEY**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● **Mr. MARKEY.** Mr. Speaker, I would like to bring to my colleagues' attention a speech written by Mr. Brett Matthews, a junior high school student from Reading, Mass., for the town of Reading Flag Day ceremony. When the future of America appears so dim and foreboding, it is reassuring to know that there are bright, articulate young people such as Brett, who are willing to work for a strong and united America.

#### OUR FLAG CAN RESTORE OUR SPIRIT AND OUR SOULS

It was a rainy day and my friend and I decided to search the attic of our new home. In a half hour of searching, we uncovered little. Then—we found an American flag folded into a triangle. The cloth felt different from the one we had in the back yard. It was heavy and seemed like wool or cotton. When we opened it, there were only 48 stars on the blue field, meaning that this flag was made before 1959 when Alaska and Hawaii became new states and after 1912 when Arizona and New Mexico became states.

This flag, as the flags before it, had seen America's good and bad. Why was this flag in the attic folded in a triangle? Had it been on a soldier's coffin? Maybe it had been raised in triumph at the end of a hard fought battle in World War I or II. Maybe it survived the Battle of the Bulge or Iwo Jima or the Korean War.

The good and the bad. The good is when we rally around and help other people when they need help away from our shores... the people in Cambodia who know the goodness of our flag when food and medicine reaches these starved and gentle people. The good of our flag when it is raised in jubilation as our Olympic hockey players win the gold medal and beat Russia—the good when we help other countries develop to their full potential or help those in our country live the American dream.

The bad is when we allow our flag and all that it stands for to be captured by governments that do not stand for the basic decency of humanity, or when we in the United States allow our flag to be shamed by politi-

cal dishonesty or not properly honoring the Vietnam veterans who fought so nobly and saw their fellow Americans die so horribly.

The good and the bad. That is why people respect their flag. It is a symbol of happiness when the sky is blue and everything is right. It is a symbol of sorrow when it flies at half-mast for an assassinated President or for our fifty-three hostages held captive in Iran. The flag is our hope and our dreams for the future, of what we have been in the past, and what we may become.

Americans must strive for excellence, not mediocrity, and we must not squash excellence, but reward excellence. The future for all Americans is coming, but only we can decide where it is going.

There is talk today of rallying around the flag in patriotism to possibly defend our country with the drafting of young men. I think we should go one step further in serving under the flag of the United States. Instead of just young men serving the country, every person, every citizen of the United States, should serve in some way to re-establish the American "can-do" attitude. What do I mean? In the "breadbasket" states such as Pennsylvania and the states of New England, the farmers have handed down from generation to generation the knowledge that if the soil is not properly tilled and refertilized, it becomes useless and crops won't grow.

There is so much to do to make America better, to keep it properly tilled and replenished, so it will never die. We must each take a part in serving our country—everyone from an early age until old age. We can rally around our flag by serving in schools, in nursing homes, hospitals, cleaning up our parks, conserving energy, refurbishing our cities, giving a certain number of hours every week to serve our country's needs—restoring our souls and staying strong militarily so that our flag will never be dead on our shores, on our land, or in a foreign land.

We must learn at an early age that there are two ways of living—to be casual and simply exist or to do something constructive about one's own life and that of society. We are all part of a larger order of life.

In 1914, Franklin Lane spoke of the flag as if it could speak. He wrote:

"I am your belief in yourself, your dream of what a people may become.

"Sometimes I am strong with pride, when men do an honest work.

"Sometimes I droop—sometimes I am loud, garish and full of that ego that blasts judgment.

"I am the day's work of the weakest men and the largest dream of the most daring.

"I am the battle of yesterday and the mistake of tomorrow.

"I am the mystery of the men who do without knowing why.

"I am what you make me; nothing more."

From the time when a group of girls in Portsmouth, New Hampshire, made the first flag to be flown on the staff of a ship with John Paul Jones in command in 1777, to 1980 when the flag waved from every hand at the Lake Placid Olympics, the American flag in all its glory is the symbol of our land and our spirit. It is the symbol that we are a strong and decent people and that we can do anything we set our minds to do.

The flag of the United States of America flies above while life goes on, and under this banner: freedom will be preserved for generations not yet born. ●

### REPRESENTATIVE WOLFF'S TESTIMONY AT DOT HEARING IN NEW YORK

**HON. LESTER L. WOLFF**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● **Mr. WOLFF.** Mr. Speaker, I would like to submit for my colleagues' consideration a copy of my written testimony before the Department of Transportation's hearings in New York City on that agency's proposal that hazardous nuclear wastes be transported through the middle of that great city. It is clear to me that any attempt to transport highly radioactive material along DOT's proposed route would threaten the health and safety of over 9 million citizens in our Nation's most populous city. Less dangerous, alternative routes are available and are economically feasible. I believe that we owe it to the millions of Americans in the New York metropolitan area to further explore these possibilities and to keep New York City free from the dangers of a potential nuclear catastrophe. My remarks at the hearing follow:

#### STATEMENT BY HON. LESTER L. WOLFF

Like my esteemed colleague from New York, Congressman Ted Weiss, I also regret that I was unable to personally testify at this hearing. Unfortunately, my duties required me to be abroad when this hearing was held. I thank the Department of Transportation for allowing me to submit this statement.

Unfortunately, I must vehemently oppose the Department's proposal, which creates the likelihood that potentially hazardous and lethal radioactive wastes will be transported into and through New York City. The regulations would override an amendment to the New York City Health Code which severely restricts the transportation of these radioactive shipments.

New York City, and other local and state governments, instituted these restrictions to protect the health and well-being of its constituents. Indeed, every level of government has the responsibility to protect the welfare of its citizens. But New York City's metropolitan area has two unique and important distinctions: its geography and its extremely high population density. While most sections of the United States can provide several alternative highway systems that would avoid major population centers, New York's geography virtually prescribes which roads would be utilized. If the regulations are adopted, then Brookhaven National Laboratories would be allowed to resume its previous transportation route—along the Long Island Expressway, over the 59th Street Bridge, into Manhattan and then up either Third Avenue or the Cross-Bronx Expressway and over the George Washington Bridge onto the highway to the reprocessing plant in South Carolina. The Long Island Lighting Company (LILCO) has indicated that it will use a similar route, if allowed to do so, when the Shoreham plant begins its operation in the near future.

Congressman Weiss has eloquently described the potential hazards of transportation in Manhattan. Similarly, my deep concern stems from the beginning portion of this route along the Long Island Expressway. According to the DOT proposal, transpor-

tation would be limited to hours of least utilization, probably between 12:30 a.m. and 6:30 a.m. But even at these early hours of the morning, this highway has considerable traffic, with many cars traveling at a rapid pace. Unfortunately, existing accident rates are clearly unacceptable to allow for the transportation of highly radioactive material.

New York's other major relevant characteristic is its very high population density. In his statement, Congressman Weiss recounts the documented calamitous effects of exposure to highly toxic radioactive wastes. In addition, it is becoming increasingly evident that many diseases, especially several forms of cancer, are either caused or exacerbated by exposure to low levels of radiation.

It is for these reasons that I strongly endorse my New York colleagues, Congressman Weiss and Congresswoman Ferraro. I recently cosponsored Mr. Weiss' bill, H.R. 792, which would prohibit radioactive shipments in areas with more than 12,000 persons per square mile. Its purpose is to minimize the effects of a nuclear accident. It is illogical, immoral, unnecessary, and unacceptable for thousands of people residing along this route to be subjected to these conditions unless there is no viable alternative.

But there is an alternative. Since New York City imposed its ban on highway transportation, the waste from Brookhaven's Long Island Reactor has been shipped by barge across Long Island Sound to Connecticut. From Connecticut, the waste was transported by truck to a site in South Carolina on a route that avoided New York City, the region's most densely populated locality.

In addition, several experts have suggested that a waterway route direct from Long Island to the South Carolina storage site be developed. Apparently, even the Department's own spokesman indicated that such a waterway route would be relatively insignificant. According to a representative of LILCO, use of that route instead of going through New York City would cost his company an additional \$500,000 per year—just 50 cents per year for each of LILCO's one million customers. My congressional district consists of the north shore of Long Island. I can safely say that my constituents would be willing to spend the additional 50 cents per year in order to lessen the possibility of a nuclear calamity.

Thus, viable and attractive alternatives do exist. If the Department of Transportation adopts these regulations then I believe it constitutes an arbitrary and capricious decision—one that emphasizes accommodating the nuclear industry to the detriment of our health and that of future generations. ●

ADDRESS BY CAPT. EUGENE  
McDANIEL

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. SKELTON. Mr. Speaker, Capt. Eugene McDaniel, of the U.S. Navy Congressional Liaison Office, delivered an address at the First Baptist Church in Pensacola, Fla., on July 6, 1980. It was truly an inspirational address. All of us can learn from the words of Captain McDaniel, who is one of our finest Americans:

ADDRESS BY CAPT. EUGENE B. McDANIEL

"Nothing is worth dying for." Those words appeared in a recent Harvard Campus newspaper ad announcing a rally to protest the draft. Nothing is worth dying for! What have we done to our children that would cause them to refuse military service by saying, "Nothing is worth dying for."

Now, not one of us wants to die. God forbid that any young American ever again will have to go to war and give his life for his country. I pray every day that God will protect this nation from further armed conflict. I have a young son who just graduated from the Naval Academy and another son who is just the right age to be included for the draft registration that will begin a few weeks from now. I am proud of my son who is a brand new ensign and I will be proud of my 20 year old when he goes to the post office and signs his name so that he will be available to serve his country if he is needed. I am thankful that my two sons are not part of an anti-draft movement. I pray every day that it will never be necessary for them to give their lives for their country. But I hope I never hear them say, "Nothing is worth dying for."

What would we die for? Before we pass judgment on the youngster who said, "Nothing is worth dying for," perhaps we should examine our own hearts to find the depth of our commitment to the things we have and say we believe in. Just how far would we go to protect our country, our freedom, our families, our faith? Just how precious are these things?

Six years in a communist prison camp—deprived of family, freedom, country (we were not deprived of faith; it was our faith that kept us alive—but deprived of a bible and freedom of worship)—six years in a communist prison camp gives a man time to reflect—and reason to reflect—on the value of those blessings we take so lightly: our families, those people in our lives who give us purpose and meaning; our country, that land of our birth which has nourished us and given us so much prosperity; our freedom, that precious heritage that allows us to think what we want to think, say what we want to say, believe what we want to believe; our faith, that belief in a great God who purchased our salvation at such great price.

I have had the privilege in recent days to speak at several graduation ceremonies and to deliver the baccalaureate at my daughter's high school. I always share with the young people my hope that, as they go out to make their mark in the world, they will make a commitment to establish a good marriage and a strong family. The American home is crumbling and that in turn will cause our nation to crumble.

After I returned from Vietnam, someone asked my wife Dorothy how she was able to love me, wait for me and hold our family together for six years. Her answer was, "Love is more than a feeling; love is a decision and a commitment." There are times when you just don't feel like loving your mate or your child. Then you must decide to love them. Sometimes you must make a sacrifice—you must sacrifice your pride, your love of self. You must ask, "What is this family worth?" and exercise your personal commitment to your family.

What about our country—our freedom? What is it worth? Do we fully appreciate this land and what it represents? If you were not comfortably settled in your pew in First Baptist Church Pensacola this morning, what would you be willing to do to attain the freedom that America has to offer? Cuban refugees have risked their lives to escape from that Communist island

and reach America. Boat people from Indo-China have put to sea in small leaky vessels in the waters of Vietnam, desperately hoping for America. Throughout our history people have taken great risks to attain America. In spite of our many problems—inflation, unemployment, the energy shortage—we are still the greatest, the strongest, and the kindest nation in the world. If you don't believe that, leave it for six years as I did.

America is a land of opportunity. America is a land of prosperity. America is a land of freedom. Our Declaration of Independence signed 204 years ago represented a commitment to freedom. Fifty-six of our founding fathers laid their lives, liberty and honor on the line when they signed the Declaration of Independence. They paid a high price for their commitment to freedom. In the War for Independence, nine were killed in action, five died as prisoners of war, 12 had their homes burned, several lost sons, one man's wife died in prison, and 17 went broke. The legacy of our founding fathers is described in the words of Thomas Paine: "Those who expect to reap the blessing of freedom must, like men, undergo the fatigue of supporting it." Let us not forget the price of our freedom. Since America became a nation 204 years ago, we have fought wars around the globe in freedom's name and have paid a terrible price in human sacrifice for our freedom.

How much is America worth? In my work as a Navy liaison officer for the House of Representatives, I live in a world of "political trends". To do my job, I need to know how Members of Congress look at the polls. Even the most dedicated of them have to consider how to vote. Three months ago, in the wake of the holding of American hostages in Iran and the massive Soviet invasion of Afghanistan, the big concern of Americans was the state of our national defense. Today our hostages are still in Iran. The Russians are still in Afghanistan, and what is the No. 1 concern of Americans? Inflation and the state of our economy! What is our national defense worth? Are we willing to "pay any price, bear any burden" for the survival of our Nation?

I have a lot invested in America—2110 days in a Communist prison camp. There are others though who have given much more than I for our freedom. Millions of Americans have given their lives. There is not a family here this morning who has not been touched by war. The price of liberty is high. May we guard it carefully.

America needs to renew her commitment to God, for we are a Nation founded upon a faith in God. The Declaration of Independence says: "We hold these truths to be self-evident, that men are endowed by their creator with certain inalienable rights." God is the source of our rights as Americans; not the Constitution, not the courts, not the Congress. The Constitution, the courts, the Congress, all the branches of our Government, exist to preserve and protect the rights that were given to us by God when He created us in his own image, the Declaration of Independence is, first of all, a declaration of dependence on God. Without God, America has no basis for our rights and freedoms.

Soon after America became a nation, a young French journalist named Alexis de Toqueville came to our country to answer the question, "What makes America great?" He looked for the greatness of America in our fields and in our forests, in our mines and in our commerce, in our Congress and in our Constitution. But, he said, "not until I went into the churches of America and heard the pulpits flame with righteousness did I understand the secret of her genius



and power. America is great because America is good—and if America ever ceases to be good, America will cease to be great."

What about our faith? What kind of commitment do we have to God? In the scriptures, Saint Paul says, "I know and am persuaded that He is able to keep that which I have committed unto Him." God keeps His commitments to us. In Vietnam I learned to agree with Saint Paul that God can be trusted to keep what we commit to Him; I learned what it means to live by faith.

In 1969, after a well-organized escape attempt, one of three attempts, all of which were unsuccessful, torture was rampant. At least one American was tortured to death during this period. Because of my involvement as the main communication link between two camps I went through brutal torture. For seven days and seven nights I was without sleep, kneeling on pitted concrete. I was beaten daily with a fan belt and suffered a badly broken arm. Bleeding from many open wounds, weighing 110 lbs. and very near death with nothing left to give except the will that says "hang on," I gave my life to God. He made known to me His presence and He taught me a valuable lesson: Courage is not the absence of fear; courage is the presence of faith."

In Vietnam I learned how precious our freedom of worship is.

The Sontay raid, November 20, 1970, was an attempt to rescue American POW's. It was a raid that was similar to the recent Iran rescue attempt. The Sontay raid was perfect except for one thing: The camp was vacant and no prisoners were rescued. On November 26, 1970, 6 days after the Sontay raid, the North Vietnamese moved all prisoners from five camps into the "Hanoi Hilton", a large prison in the middle of the city of Hanoi. I moved into a cell with 57 men. One of the first things we did was press for the right to have a Sunday worship service. Daily for two weeks we asked to see the camp commander. He refused to see us. In order to get his attention we started singing at the top of our voices—352 of us. We sang songs like "God Bless America", "The Battle Hymn of the Republic", "Onward Christian Soldiers", and other hymns. However, it doesn't take aviators long to run out of religious and patriotic songs so for two days we sang fraternity songs and school fight songs. The enemy countered by turning on the loudspeakers that were in the cells to drown us out. The higher the volume, the louder we sang. After two days the enemy soldiers came in large numbers to remove 60 of our senior officers, and placed them in leg irons and solitary confinement for the next three years. They stayed in those leg irons until our release in 1973. We gained though the right to have a 15 minute worship service each Sunday. So I ask you these questions. Why would a man risk torture to gain the privilege of worshipping freely? Do you think I will ever again take lightly the freedom to worship God?

In Vietnam I learned to turn to God through prayer. And God was there when we needed Him. He honored His commitment to me. Now I can say with the psalmist, "He refused to let the enemy triumph over me. He gave me back my health. He brought me back from the brink of the grave, from death itself." Now that I am a free man I must keep my commitment to Him.

I'm glad that, when Jesus went to Calvary, He didn't say "nothing is worth dying for". He said we were worth dying for. He loved us so much that He did die for us that we might know salvation and come to know Him and to be with Him throughout eternity.

We need to pray today for America, that we as people might commit our way unto God. We need to pray for ourselves that we might renew our commitments to our families, to our country and to our God. And we need to pray for the young man who said "nothing is worth dying for"—that he might know, and that we might know also: If there is nothing worth dying for, then there is nothing worth living for. ●

#### HOME PURCHASE INCENTIVE ACT OF 1980

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. SWIFT. Mr. Speaker, we have already heard a lot of talk about a tax cut. Being an election year, I suspect we will hear a lot more in the coming months. Certainly, if the recession runs too deep, a tax cut may be necessary medicine. But, as with everything these days, things can get complicated in a hurry.

First, a tax cut would undoubtedly throw our budget far out of balance. While we would hope it would in turn stimulate the economy enough to keep the impact to a minimum, we must be careful we do not rekindle the cooling embers of inflation. Saving tax dollars—only to be forced to pay higher prices everywhere—does not help anyone.

We should keep two things in mind when we start to look seriously at tax cuts for the coming year. First, target them to lagging parts of the economy and make sure they help without hyperventilating the rest of the economy.

Second, as long as we are going to cut taxes, let us look closely at some of the inequities we could not afford to fix until now because of their high cost in revenues.

Mr. Speaker, today I have introduced legislation which I believe can go a long way toward solving several serious problems: The depression that has gripped the housing industry and, in my own area, the related wood products industry, the great need to increase savings, and the problems our young people face when they try to buy their first home.

My bill, which I have titled the "Home Purchase Incentive Act of 1980," can help solve such a wide variety of problems because the solution of each problem helps solve the others. I commend this bill to the attention of my colleagues.

With the concern that has been expressed here on the House floor, I know these problems are serious in all parts of the country but they are especially bad in my own State because a substantial part of the economy is based on the forest industry and the products it supplies to homebuilders. It was the magnitude of these problems and the discussions I have had with people in my district that encouraged me to introduce this bill today.

When housing slowed, many people were out of work. Lumber mills are the only major employer in many towns in my district and, when they are closed, whole communities have suffered. All at a time when the region as a whole is straining under growth that is unprecedented. Thousands of people are moving to the Pacific Northwest and the demand for new housing comes with them. Sadly, demand has pushed prices even higher.

Frankly, the combined problems—growth, continuing inflation, soaring interest rates, and demand—has meant that many young people trying to buy their first home cannot afford it. They are never able to save enough for that all-important downpayment. Money they are able to save constantly loses ground to inflation and they cannot make it.

I realize we are going to have to do many things to help bring inflation under control: Balance the budget, cut spending, encourage savings and capital formation, increase productivity, eliminate our terrible dependence on foreign oil, and decrease borrowing by everyone to name a few. But, I believe this bill can help us down that road.

The legislation allows individual housing accounts (IHA) to be established. These tax-deferred accounts would be similar in many ways to the individual retirement accounts this body established several years ago. A taxpayer could deposit up to \$3,000 per year into this account and up to \$15,000 during his or her own lifetime. To remain tax exempt, this money could be used only for the purchase of a principal residence by the person—or people in the case of a married couple who establish a joint account—who set up the account. There is no limit on the total yearly income of people who could take advantage of such an account but no more than 20 percent of each yearly contribution could come from unearned income. Only one IHA could be used to purchase any single house and families could have no more than one IHA at a time until such time as the children were out on their own and could set up their own IHA.

Once funds are deposited in an IHA, tax would be deferred either until the home is sold or the funds were used for some other purpose. The account must be used within 10 years and, in the event of a divorce, could go to either partner.

First-time home buyers certainly need this help. Once you own a home, you can usually use equity from that home as the all-important downpayment for a new home.

That is it. Obviously there are some restrictions to prevent this program from being abused by housing speculators but complications should be kept to a minimum. Other than that, there is no need for endless redtape or a massive bureaucracy. This is not a grant, guaranteed loan, or subsidy-type program with all the bureaucracy

and redtape those programs would require. It is not a handout program.

It is an approach that enables those who wish to use it to do so with a minimum of fuss and government involvement. It will give hard-working young people—and others who may have rented until now—the chance to save toward a downpayment . . . the incentive to own their own home.●

#### TRIBUTE TO JOHN CARDINAL DEARDEN

**HON. WILLIAM M. BRODHEAD**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● **Mr. BRODHEAD.** Mr. Speaker, John Cardinal Dearden has resigned as archbishop of Detroit. Plagued by illness in recent years, this wise and gentle man has finally decided to seek a rest from the tremendous demands of leading the area's 2.1 million Catholics.

Cardinal Dearden has established a splendid record as pastor of his flock and as a leader of the Nation's Catholics. However, the years and the heavy burdens he has borne have taken their toll of this great man—a priest for 48 years, a bishop for 30 years, Archbishop of Detroit for 21 years, and a cardinal for 11 years. Now he will enjoy the rest he has so richly deserved.

Cardinal Dearden's leadership extended far beyond the boundaries of his diocese. He participated in the Second Vatican Council in the early 1960's, helping to write several of the major documents which brought the church into the modern era. In 1966, he was elected to a 5-year term as the first president of the National Conference of Catholic Bishops. This significant accolade from his peers is evidence not only of his leadership qualities but of the great esteem in which he is held.

Always first in Cardinal Dearden's concern was the welfare of his flock. If the changes brought on by the Vatican Council proved painful to some, he softened that pain with his loving kindness. And yet he exercised a firm and decisive control at a time when change swept not only his church but his archdiocese as well.

Cardinal Dearden will be sorely missed by all of the people of the Detroit area whether or not they are members of his church. I ask my colleagues to join me in honoring this remarkable man and in wishing him a long and happy retirement.●

#### PIONEER DAY

**HON. GUNN MCKAY**

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● **Mr. MCKAY.** Mr. Speaker, Thursday, July 24, marks an important anniversary in our Nation's history. It is the 133d annual commemoration of the first arrival of Mormon settlers in the Salt Lake Valley on July 24, 1847, and in Utah is known as "Pioneer Day," a State holiday.

Historians call this mass migration of thousands of men, women, and children over thousands of miles of treacherous terrain the best-organized movement of people in American history. These were families who went westward without benefit of guides or professional outfitters or rugged equipment. In making this difficult journey they would be required to improvise, to battle against hunger, thirst, freezing cold, desert heat, and steep mountain terrain. They pressed onward against all the odds, propelled by their past experience as the most persecuted religious community in early America and by their faith in God.

Nothing in our modern-day American lives can serve to faithfully remind us—to make us fully understand—the hardships which those pioneers faced in their journey. An anthem to their hardships was written early on during the migration by one of their number, William Clayton. This hymn has had great meaning to Mormons ever since that time, and its vividly stirring refrain serves as well as anything can to remind us of these sacrifices and of this supreme dedication. In many ways, their spirit was and is the best of the American spirit of greatness. I would like at this time to recall the words of this hymn, "Come, Come Ye Saints:"

Come, come ye Saints, no toil nor labor fear;  
But with joy wend your way.  
Though hard to you this journey may appear,  
Grace shall be as your day.  
'Tis better far for us to strive,  
Our useless cares from us to drive;  
Do this, and joy your hearts will swell—  
All is well! All is well!  
Why should we mourn or think our lot is hard?  
'Tis not so; all is right.  
Why should we think to earn a great reward,  
If we now shun the fight?  
Gird up your loins, fresh courage take;  
Our God will never us forsake;  
And soon we'll have this tale to tell—  
All is well! All is well!  
We'll find the place which God for us prepared,  
Far away in the West,  
Where none shall come to hurt or make afraid  
There the Saints will be blessed.  
We'll make the air with music ring,  
Shout praises to our God and King;  
Above the rest these words we'll tell—  
All is well! All is well!  
And should we die before our journey's through,  
Happy day! All is well!  
We then are free from toil and sorrow too;  
With the just we shall dwell!  
But if our lives are spared again  
To see the Saints their rest obtain,  
O how we'll make this chorus swell—  
All is well! All is well!

This was a migration which is without parallel in our history. For all its

limitation in equipment and supplies, the march westward was distinguished by its organization and cohesion. The forward parties planted crops and built shelters for those who would come later.

That same impressive organization was also applied to the settlement effort itself. The first arrivals in the Salt Lake Valley, without wasting as much as a day's time, immediately formulated hand tools and began staking out the land, plowing the ground, harrowing, and irrigating. Some 35 acres were put into crops that first week. Other companies of men were laying out the new city in 135 10-acre blocks, with a site for the future Salt Lake Temple in the center. Another committee set to work gathering timber, building roads, and preparing tools and materials for cabinmaking.

The unique blend of cooperation, individual initiative, belief in God and a striving for excellence which was the essence of the pioneer spirit is a collection of the very qualities which have been at the heart of American accomplishment and American greatness. This vital example is but one component of the living legacy these brave men and women have left to us.●

#### HANDGUN CONTROL: THE NEED FOR FEDERAL LEGISLATION

**HON. WILLIAM LEHMAN**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● **Mr. LEHMAN.** Mr. Speaker, once again I would like to express my support for the Handgun Crime Control Act of 1979. Federal legislation is needed to stem the increasing violence in this country. Last year, 8,124 deaths by handguns were reported by the news media. Of a total of 200 million guns in the United States, 60 to 80 million are handguns. According to the Department of Justice, in 1978, 49 percent of all murders in the United States involved handguns. These handguns have no apparent use other than to threaten human life.

The Rodino bill is an important step in reversing the growing tide of violence victimizing the Nation. The bill would ban all commerce in "Saturday night specials," the favorite weapon of the criminal. It mandates swift and sure punishment for the misuse of handguns. It screens out illegal purchasers, while requiring accountability from both dealers and owners of handguns. Enforcement of the law would be transferred from Treasury to the Department of Justice, and financial aid would become available to victims of handgun crime. States will be urged to pass "license to carry" laws which have been shown to decrease gun-related crimes.

The United States is the only industrial society without effective national controls over the sale of firearms. The



absence of such controls on a national level undercut measures that individual States enact because of lax standards in neighboring States. Despite a vocal opposition, polls have consistently shown overwhelming public support for strong gun control measures.

Senseless gun violence must be stopped. Often deaths associated with handguns are the byproduct of a domestic argument or a child's curiosity. I have become convinced that strong national handgun control is necessary to stop these tragic killings. This is an issue that will not go away as long as handgun deaths continue to occur. Responsible action must be taken. The Rodino bill will be an important and effective measure in achieving a reduction in handgun deaths. ●

#### JUDGE JAMES E. SHEFFIELD

#### HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. CLAY. Mr. Speaker, as my colleagues are aware, there is an apartheid controversy that has been transpiring in the past few months over the nomination of Judge Sheffield for a Federal judgeship position from Virginia. I would like to take this opportunity to share with my colleagues an article which appeared in the Washington Post newspaper regarding Judge Sheffield. At a time when our country is in dire need of sound leadership within our judicial system, Judge Sheffield has proven under exhaustive examination in the past 3 years that not only are his qualifications unquestionable but his integrity impeccable. It is my firm belief that Judge Sheffield would be a stalwart of justice given the opportunity based on his record. It is my hope that he will be judged on his record and not on the basis of an archaic attitude that has plagued us in the past. Following is the text of that article.

#### A SOFT-SPOKEN JUDGE AT THE CENTER OF CONTROVERSY

(By Megan Rosenfeld)

In almost every respect James Edward Sheffield is the model of a traditional, establishment, achiever. He graduated cum laude from law school, served his country in the Air Force and his community on the boards of the YMCA, the Boy Scouts, the Richmond Symphony, two hospitals and the usual bar associations.

Various organizations have named him Citizen of the Year, Businessman of the Month, Boss of the Year. He likes antiques, hunting and fishing and lives in a restored 18th-century plantation with a swimming pool and a couple of horses. One of his daughters goes to St. Catherine's, the most exclusive girls' school in Richmond.

When he walks into the Downtown Club, half a dozen secure denizens of Main Street look up from their businessmen's lunches to greet him by name. "Hello, Judge," they say. "How are you today?"

But he is not altogether one of them, not quite a complete member of the familiar network of comfortable conservatives who

make up the Virginia establishment. And the main thing that sets him apart has also placed him in the middle of a historic and intricate confrontation between President Jimmy Carter, who has nominated him for a federal judgeship, and Virginia Sen. Harry Byrd Jr., who has not.

James E. Sheffield is black.

He's hardly the sort of person you would expect to be the fulcrum of a major controversy. Soft-spoken, unflamboyant, cautious, there is little in his past that would have predicted his current situation. The fate of his nomination is still uncertain, but whatever happens, this particular confluence of events and history have combined to make him at least a footnote in future records.

When President Carter nominated him on April 9 of this year, almost three years after the process to find qualified judgeship candidates had begun, Carter officially challenged both a senator and his own system. It was the first time a president questioned a senator's candidates because he did not include any minorities.

Three years previously, Byrd, acting on a handwritten letter he, the Senate's only Independent, had received along with all Democratic senators, appointed a commission to find candidates for four new federal judgeships that were opening in the state. Five of the 18 members of the commission had contributed to Byrd's last campaign; 13 were well-established lawyers; two were close personal friends. The commission, to the surprise of almost no one, produced a list of 10 white males, saying there were just no qualified blacks or women in the entire state.

Sheffield is the only black circuit court judge in Virginia, and thus the highest-ranking black judge. The American Bar Association rated him "qualified" to be a federal judge. But Harry Byrd's commission did not interview him.

That Harry Byrd is an independent and an irritant to much of the Democratic party in Virginia undoubtedly made it somewhat easier for Carter to decide to take him on. But it is not known whether Carter would have challenged him, despite his campaign promises to elevate more minorities and women to judgeships, if strong Democrats and liberals in the state had not objected to Byrd's list. The alliances and muscle flexing that have gone on during this battle will probably have an influence on Virginia politics in the future, but it is too soon to read the tea leaves.

Sheer racism, some said about Byrd's list, another example that the Byrd machine and the political philosophy it bequeathed the state are still potent. These people—black leaders, (comparatively) liberal North Virginia congressman Herbert E. Harris, and anti-establishment groups like the A.C.L.U., began to organize and pressure the Carter administration. Nine months after Byrd released his list of 10 names, the protestors were assured in November 1978 the president would not, nominate only white males. A year and five months later, Carter nominated Sheffield, having previously picked two other names from Byrd's list, and then a third.

Former attorney general Griffin Bell had visited Byrd "at least a dozen times," the senator said, trying to get him to expand the list. "This administration doesn't like confrontation," explained one Virginia Democrat. "Bell is a Byrd-type guy, he could smell a populist 40 miles downwind. They decided 'why make Byrd mad?' I think they spent two years trying to find a black that Byrd could bend with, then they finally had to bite the bullet."

Byrd, meanwhile, was adhering to the "moral commitment" he feels he made to the commission he appointed.

"All I know is that I got a handwritten letter signed 'Jimmy,' I did what the president asked . . . I felt I had a moral commitment not to go outside that list. The White House has been very unfair to the members of the commission who worked so hard, and very unfair to those the commission deemed the best qualified, and to the people of Virginia," he said.

He has two friends he'd hoped would be on the commission's list, the senator continued. "If I couldn't expand the list to include them I don't see how I could go back and ask the commission to do it for someone else."

"Byrd has decided to follow his daddy and be the last bastion of massive resistance," said Oliver Hill, at 73 one of the godfathers of civil rights in Virginia. He may be overstating the case somewhat, but he gives an indication of the depth of feeling this case has aroused.

"It's regrettable from Judge Sheffield's standpoint," said Sen. John W. Warner, Virginia's Republican senator. "He's irrevocably caught in this situation. It could be this matter will be resolved between the legislative and the executive and he will never have the occasion to stand, so to speak, and be judged by 100 senators on his qualifications because of a procedural dispute."

At 48, Jim Sheffield is slight, starting to gray, and reserved. His friends say his response to this three-year endurance test has been typically "stoic." He has a face that betrays little emotion, a demeanor that does not draw attention to himself and gives the impression of total self-control.

"He's driven by something," said an old friend and hunting companion, C. S. McCall Jr., a Richmond insurance agent. "He's the most motivated person I know. I've never seen anyone who puts in the hours he does. He feels a great need to succeed, to create more or less a pathway for other blacks in the South."

Sheffield did not want to be interviewed for fear of seeming to campaign for the job, but from earlier interviews and conversations the picture emerges of a man who is determined to keep going, to go through the nomination process and who hopes to be judged on his qualifications rather than his race.

He was born and raised in the resort town of Hot Springs, Ark., one of nine children and the son of a Pullman car railroad porter working the Hot Springs to Memphis run. His father brought home magazines that passengers left on the train, and it was through reading old issues of Life, The New Yorker, the New Republic and the Saturday Evening Post, among others, that he was introduced to the outside world.

" . . . they gave me the urge to look out and see the world," he told Richmond Times-Dispatch reporter Shelley Rolfe in 1974. "I had a glimpse of it that not many boys in Hot Springs had . . ."

He worked as a hotel waiter and bus boy, and spent his summers waiting tables in other resort towns. Joining a sister in Chicago, he started college at night, later graduating from the University of Illinois with a year at Texas College on a football scholarship.

He enrolled in law school at the University of Illinois because he liked political science, debating and history. Thinking he had done badly his first semester, because he was holding down a job at nights and weekends, he dropped out and enlisted in the Air Force, only to find out later he had passed every subject.

When he left the Air Force after four years, he stayed in Richmond, where his last assignment had been at Byrd Field. His first job was running the then-segregated Boy Scout program for black youths. He met his wife there while he was in the service, and they decided to make her home town their home. He worked until the next semester at Howard Law School began, and started what was to become several years of commuting between Washington and Richmond, often traveling by bus.

He also continued a pattern he had set earlier—going to school full-time while working at a job as well. He'd work at one job until his class load got too heavy, quit and find another later. He was a waiter at the Cosmos Club and the Market Inn, clerked at a liquor store, and sorted mail during Christmas.

"He was very businesslike and studious," recalled Leonard Lambert, a Richmond lawyer in partnership with State Sen. Douglas L. Wilder, who went to Howard Law School with Sheffield and remains his friend. "He had a sense of purpose the rest of us didn't have, perhaps because he was older, and married. We'd come in and he'd be studying. We'd go out to a bar or a movie or something and get back and he'd still be studying. Then when we got up in the morning there he'd be at 6 a.m., studying again."

He won a scholarship and a job as a teaching assistant at Howard after making straight A's his first semester, and even now continues to teach part-time at the University of Virginia Law School and at T.C. Williams Law School at the University of Richmond.

He worked as a law clerk for the U.S. Commission on Civil Rights while in law school, and after graduating served a year as a trial attorney with the Justice Department. He began practicing law in Richmond in 1964, starting with a Wednesday evening practice in an unused corner of an insurance office, and gradually building up a clientele that was 75 percent criminal work.

Meanwhile he was involved in numerous community activities, ranging from being on the finance committee of the Ebenezer Baptist Church to the state, local and black bar associations.

"On Law Day he was always the guy who came by pushing the merits of law and how it could be a salvation to many of the problems that plagued black people," said Ray Boone, editor of both the Richmond and Baltimore Afro-American newspapers.

Eventually Sheffield had his offices in a building he bought and named the Sheffield building. It is in the section of Richmond known as Jackson Ward, not far from the modern federal high-rise where his office looks out over the old brick house, preserved in a sea of concrete, that was John Marshall's home.

Jackson Ward is a section of black-owned businesses and offices, like those of Lawyers Hills, Tucker and Marsh, and the N.A.A.C.P., the Afro-American and the oldest black-owned bank in the country. It's also the section where the only statue of a black in Richmond is located: Bill "Bojangles" Robinson, well on the south side of Broad Street but walking distance from the Monument Avenue where Stonewall Jackson rides in stone splendor and other heroes of the Confederacy are memorialized.

He was also investing in real estate, buying 10 apartment units in Richmond in partnership with a colleague, and a house now worth about \$185,000, according to the financial disclosure statement he filed with the judiciary committee. He was also accumulating debts, now amounting to \$313,638. His last year in private practice he earned \$131,955, putting him in an income bracket

comparable to two of the other three nominees. He sets his assets at \$417,284.

His wife recalls that at one point when her children were younger she was resentful of the time Sheffield spent on outside activities. "I used to look at my neighbors and I'd see the daddies coming home and cooking on the barbecue or mowing the lawn, and our daddy was at the Big Brothers of the Boy Scouts or some meeting or other," Patricia Sheffield said. "Finally I said to him, 'Jim, look at so-and-so, why can't you be more like him?' And he said to me, 'I can't live in a community I don't feel I'm giving something back to.' And I've never said anything about it since."

Now she is on a number of boards and committees herself. "If you can't beat them, join them," she laughed.

By 1974 Sheffield was part of an informal group pressuring to have at least one black named a circuit court judge. According to State Sen. Wilder and attorney Oliver Hill, when a Richmond judgeship became vacant in 1974, they called in the chips earned through having urged black voters to support the city's delegation to the General Assembly. Seven of the eight members of the delegation urged then-governor Mills E. Godwin to support Sheffield, even though he was the third choice of the Richmond Bar Association, and he did.

His appointment was viewed as a breakthrough, and Sheffield felt the responsibility keenly. As someone who believes that change can and must come from within the system, he saw himself not only as a role model for young people, who, like himself, might never aspire to be a judge because he'd never seen a black judge, but as a test case for white people as well.

On March 22, 1978, Judge Sheffield delivered a letter of resignation to Gov. John N. Dalton, citing "family and business commitments." That same month he and his wife were listed as being delinquent in paying real estate taxes; they paid the \$1,071 they owed the next day.

Sheffield withdrew his resignation the following day, but ever since there has been speculation and gossip about his financial situation, speculation that has been re-circulated recently in stories in the conservative Richmond Times-Dispatch.

So far no one has turned up anything irregular about his finances. Even the rumors are vague. But, as Lambert said, they will probably come up during a confirmation hearing.

A source close to Sheffield said he resigned because he was angry and disappointed at not having been included in Byrd's list of 10 candidates, and frustrated that he had not even been interviewed. Citing "family and business commitments" seemed a graceful way to exit.

Sheffield did renegotiate some loans, the source said, and there were offers from various people to help him financially and to urge him to stay on the bench. After discovering that it seemed unlikely another black would take his place on the Circuit Court, he withdrew his resignation.

For the last three years Sheffield's qualifications have been examined exhaustively. The general consensus seems to be that he is hard-working rather than brilliant, thorough, occasionally slow in delivering an opinion, scrupulously fair to people appearing before him, and "judicial" in temperament. Few of the inevitably anonymous observers seem to feel that he is not qualified.

"You have firebrands who are lightning rods and stormy petrels, and you have those who operate in quiet persuasive manners," said state Sen. Wilder. "He is not the loud-mouth person. He has a strong, even temperament and a reputation for being decent.

His weakness, if he has one, is that he has not had federal experience."

Sheffield has been reversed seven times in 5½ years. Philosophically, he is uncomfortable with the idea of judges making law, but he believes the law must be pliable in order to survive.

In Virginia, the law has been very pliable when it comes to race. Although Virginians usually point out that there has been little violence between the races since Nat Turner's rebellion in 1831, the state's political history has been studded with successful efforts to disenfranchise blacks and keep them well under control.

From the 1902 constitution, which was revised to prevent blacks (poor whites were sacrificed to obtain the goal) from voting through complicated literacy tests and poll taxes, to the fiscal "pay as you go" austerity made famous by Harry F. Byrd Sr., legal measures were used to keep the white establishment invulnerable.

"That . . . the state became an economic and cultural backwater can be traced in significant measure to the commonwealth's most cherished policy," wrote Richard Kulger in "Simple Justice"; "maintaining the poor in the style to which they had become accustomed by among other things, providing them with 1) as few social services as possible—especially free compulsory education—and 2) a baffling array of devices to remove all political power from their unwashed hands."

Blacks make up about 18.5 percent of Virginia's 5 million people, making it one of the 15 states in the country with large black populations. Until the early 1970's, more blacks left the state than moved into it, a trend that started after the Civil War. There were few jobs or educational opportunities for them, other than service or blue collar jobs, and housing and schooling was correspondingly poor.

But the Virginia way of keeping control was somehow more benign than in other states in the deep South, where demagogues produced white supremacist rallying cries at regular intervals. Rarely did Virginia leaders engage openly in tacky race-baiting; rather they perfected a paternalism that effectively blurred anger which might have in turn stimulated rebellion. People were "nice" to each other. The plantation mentality reigned.

"Nobody said 'get out of here, nigger,' so you didn't feel that flush of anger," said Jack Gravely, head of the state's N.A.A.C.P.

The legacy is a black leadership that works within the system, an electorate that has rarely been unified as a "black vote" and change that has come very slowly.

"I think the change that comes slowly is effective change, it's here to stay," said Henry Marsh, Oliver Hill's law partner and the mayor of Richmond, in an interview a few years ago.

One change that came more quickly than the senior Byrd and his colleagues envisioned was the decline of massive resistance, the policy they came up with to avoid integrating public schools. The Byrd organization thought it would keep them in power for 25 years, according to reports at the time. But despite the array of laws the legislature enacted, and the spirit of places like Prince Edward County which closed its schools for four years, integration began—very slowly—in 1953.

Sen. Harry Byrd Sr.'s proclamation that "racial integration is not going to be accepted in the South," was defeated by the law of the land, although in Virginia "with all deliberate speed," was definitely more deliberate than speedy. White flight to suburbs and private schools was immense. Today there are black mayors in half a dozen



cities, four blacks in the House of Delegates and one (Wilder) in the state senate. Although to many "Virginia Conservative" means racist, others feel it is more a question of social bias, cultural exclusion or a tendency to keep things the way they are, and were. Critics like to point out as an example that Virginia has yet to ratify such U.S. Constitutional Amendments as those authorizing direct election of senators and the income tax, recalling that as recently as 1977 there were emotional arguments against such radical acts on the floor of the state senate.

There is no Byrd machine or organization anymore. The men who once held the power are now old, if not gone, and their successors no longer dictate elections or appointments as they once did.

What remains is a philosophical affinity group, a strong sense of The Way We Do Things In Virginia, and a perhaps overinflated belief in the power of Sen. Byrd by those who oppose him.

Judge Sheffield's nomination is viewed by them as a blow against the Byrd mystique. "This is history-making in that it would mark the end of an era of Byrd-thinking in Virginia," said State Sen. Wilder, one of the leading black politicians in the state. "It would show that one senator cannot wave his finger and say nay."

After President Carter nominated Sheffield on April 9, Sen. Byrd "returned a negative blue slip," which in congressional parlance means he officially opposes the nomination.

Just how hard he will fight it, however, remains an open question. He does not oppose a hearing—the first hurdle that must be overcome before the judiciary committee votes whether or not to confirm him.

"I'll speak on behalf of those the commission nominated," Byrd said, referring to Richmond Lawyer Richard L. Williams, State Sen. J. Harry Michael, an Abingdon lawyer, and Democratic party activist James P. Jones. "I'm going to do all I can to protect the commission I appointed at the president's request." He would not elaborate.

When Sen. Edward M. Kennedy took over the chairmanship of the Judiciary Committee, he jettisoned the system whereby a senator's opposition could kill a judgeship nomination. The Judiciary Committee conducts its own investigation of each nominee before asking for a hearing; in Sheffield's case the investigation has not been completed.

Some Republicans wouldn't mind delaying everything until after the presidential election in the hopes that Ronald Reagan will win. However, Virginia's other senator, Republican John W. Warner, urged Kennedy to hold a hearing as promptly as possible, and said he knows of no Republican moves to stop it.

Meanwhile, of course, both Carter and Kennedy have had other matters to concentrate on, like running for president and dealing with foreign crises. The blame for the length of time it has taken to get to the nominations at this point cannot be placed on any one person or group, but can be shared by all. Meanwhile, Congress will be in and out of session until the election, adding yet another practical problem to setting a hearing.

These and other wisps of political smoke cloud any predictions of what may happen. The only thing that seems clear is that of all the players in this drama, James E. Sheffield had the most to lose. The others, for the most part, have already won.

Harry Byrd can't lose—he complied with the president's request to set up a commission and his steadfast refusal to change

their list has reaffirmed his already firm support among conservatives. He doesn't have much support among blacks anyway, and the establishment doesn't care whether or not a black is appointed.

President Carter can't lose—after all, he has nominated the first black for a federal judgeship in Virginia, and bucked a senator to do so. If Sheffield is not confirmed, or withdraws, Carter can at least say he tried. And Carter has nominated a record number of minorities for judgeships, aided by the fact that he's had 154 new openings to fill.

Rep. Harris can't lose—he is the only Virginia politician in Congress who has worked actively for Sheffield, and is generally credited with the success of the effort so far. If he should decide to run for a higher office—which he hasn't said he has—he probably has not been hurt by the exposure.

Of course, Williams, Michael and Jones could lose, if their nominations get caught in the political whirlpool. But they have not been examined publicly to the extent Sheffield has, nor have their qualifications been questioned by sub rosa intimations of financial impropriety.

Lt. Gov. Charles S. Robb, the only Democrat in a statewide office and a man who hopes to run for governor, could lose because he initially backed Byrd's list. But he has tried to recoup his standing with the black community by running interference with the White House.

Sheffield's supporters will feel they have lost if he is not confirmed, but they know there will be another time, and that they have never gotten this far before.

"The nomination has been made," said Harris. "The question is: Should he be confirmed? All this talk about process is irrelevant. You have to deal with this in historic rather than procedural terms. We have for the first time nominated a black for a federal judgeship in Virginia."

"I do believe," said Sheffield's friend Lambert. "None of this would be happening if the man wasn't black." ●

#### PRESIDENT CARTER'S LATIN AMERICAN POLICY

#### HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. JEFFRIES. Mr. Speaker, the American Legion has been taking a good, hard look at recent events in Latin America, and what the Legion found going on in the back rooms of President Carter's foreign policy advisers is startling.

Frank Hamilton, the Legion's national commander, has even gone so far as to charge that the President's advisers are engaged in aiding the overthrow of pro-Western governments in Latin America.

Because the Legion is traditionally nonpartisan, these allegations demand a special scrutiny from Congress. That is why I want to share with my colleagues the following article by Frank van der Linden in the May 28 Sacramento Union:

#### WHO DICTATES CARTER'S LATIN AMERICA POLICY?

WASHINGTON.—President Carter's puzzling, hot-and-cold attitude towards the refugees from Cuba indicates that he is torn between his humanitarian impulses and strong pres-

sures from the real architects of his Latin American policy, who want to buddy up to Dictator Castro and impose a socialistic New Order throughout this hemisphere.

Carter muffed his golden opportunity to welcome all the people fleeing from Castro's island prison as proof that they yearn for freedom and a better life in the United States, and that communism is a total failure in Cuba. But there are influential men, inside the administration and in Congress, who don't want to admit that failure by a regime that is a stooge of the Soviet Union.

Frank I. Hamilton, national commander of the American Legion, charged recently that some of Carter's own appointees are promoting the overthrow of existing governments in Latin America and producing "pluralistic" ones that are inevitably hostile to our own.

The Sandinistas, who ousted President Somoza and took over Nicaragua by a civil war, are openly allied with Moscow now, while Castro is fostering subversion in El Salvador, Honduras and Guatemala.

The erosion of our power in the Caribbean, Hamilton warned, weakens our ability to control the sea lanes that bring oil from the Middle East around South Africa, and from Alaska, transiting the Panama Canal.

The blueprint for this foolish policy, imperiling our "soft underbelly" in the Caribbean, was formulated, he said, on the basis of similar reports by two groups. One was a commission headed by Sol M. Linowitz, who renegotiated the Panama Canal treaties for Carter and was formerly the registered foreign agent of the Allende government in Chile.

The other report, entitled "The Southern Connection," came from the Institute for Policy Studies (IPS), which the Legion commander called an "openly radical and leftist" outfit.

Several IPS members worked on the Linowitz Commission. In the preface to their own study, they expressed thanks to their "colleague and friend," the late Orlando Letelier, who had read the first draft. After Letelier was killed when his car was blown up in Washington, it was revealed that he had been receiving about a thousand dollars per month from the Cuban secret police, controlled by the Soviet KGB.

"One name leaps out from the IPS study," Hamilton said. "It is the name of Robert Pastor, Carter's principal Latin American policy adviser, working for the National Security Council."

The Heritage Foundation has said that Pastor's "principal radical ties appear to be with the Transnational Institute of the IPS, the former co-director of which was Letelier."

So, Hamilton said, the Carter policy on Latin America was really written by the Linowitz Commission, supported by the Institute for Policy Studies, and "is being promulgated by Robert Pastor in the White House and supporters in the Department of State."

While the administration is seeking funds from Congress to protect the regimes in El Salvador and Honduras against a terrorist takeover, the legion chief said, Pastor is secretly working in the opposite direction.

Hamilton said Murat Williams, a former U.S. ambassador to El Salvador testified against the appropriations and said Pastor had asked him to do so. So Hamilton charged, "the principal adviser on Latin American affairs in the White House was subverting his president's policies!"

Pastor was also identified in news stories in 1977 as the National Security Council member who asked the CIA to develop a plan to topple the present anti-communist government in Chile.

Studies of IRS records show that the Institute for Policy Studies received about \$8 million from private foundations in 1970-76, and over \$5 million came from the Samuel Rubin Foundation, based on the Faberge cosmetics fortune.

The daughter of Foundation President Rubin is Cora Weiss, who has lobbied for Cuba and for U.S. "reparations", to Hanol. She welcomed the Communist Vietnamese delegation to the U.N. at a "victory party" in New York.

Her husband, Peter Weiss, is chairman of the IPS board and first vice-president of the Rubin Foundation.●

#### SEVERAL GROUPS IN OPPOSITION TO ASHBROOK/DORNAN AMENDMENTS

**HON. CHARLES B. RANGEL**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of my colleagues a letter addressed to every Member of the House. The letter is signed by the American Civil Liberties Union, League of Women Voters of the United States, National Urban League, National Catholic Conference for Interracial Justice, Public Citizen's Tax Reform Research Group, National Education Association, Lutheran Council in the USA, National Association of Social Workers, American Veterans Committee, and the NAACP Legal Defense and Education Fund.

This letter is written in opposition to the Ashbrook and Dornan amendments which these groups think is: "... neither warranted nor in the best interests of the Nation" in the wake of new developments since the first time this body passed those amendments.

Briefly, the reasons they believe the Ashbrook and Dornan amendments, which would prohibit IRS from promulgating new regulations on the tax exempt status of private schools which discriminate against minorities are unwarranted are:

First, that under present IRS regulations a number of schools which have been held by Federal courts to discriminate still enjoy tax exempt status.

Second, a Federal court in *Green v. Miller* has stated that current IRS regulations in this area are defective. The *Green* case established standards for Mississippi which they believe should be applied nationally. The Ashbrook and Dornan amendments would prevent the IRS from promulgating such rules on a national basis.

Third, the *Green* case would apply standards only to schools in Mississippi which were formed or expanded at the time of public school desegregation in a community; and

Fourth, during the original debate on Ashbrook/Dornan, Representative ASHBROOK stated that his amendment was a stopgap measure designed to prevent IRS from issuing regulations

without court or congressional guidance. *Green v. Miller* provides that guidance and therefore IRS should be allowed to go ahead with new regulations.

I would like to associate myself with the points made in this letter. The text of the letter follows:

AMERICAN CIVIL LIBERTIES UNION,

Washington, D.C., July 22, 1980.

DEAR REPRESENTATIVE: The House will soon consider the Treasury, Postal Service, and General Government Appropriations Act, H.R. 7583. We write to you on behalf of a large number of organizations concerned with civil rights, including the American Civil Liberties Union, League of Women Voters of the United States, National Urban League, National Catholic Conference for Interracial Justice, Public Citizen's Tax Reform Research Group, National Education Association, Lutheran Council in the USA, National Association of Social Workers, American Veterans Committee, and the NAACP Legal Defense and Education Fund.

We urge you to oppose any effort to prohibit the Internal Revenue Service (IRS) from implementing any new regulations that might deny tax-exempt status to private schools that practice racial discrimination.

We are strongly opposed to any amendment similar to those sponsored by Representatives Ashbrook and Dornan on last year's Treasury Appropriations bill. Since the Congress enacted those amendments, there have been several new developments. We hope you will give these developments your careful consideration and conclude that re-enactment of the Ashbrook or Dornan amendments for another year is neither warranted nor in the best interests of the nation.

Further restrictive amendments should not be imposed on the IRS for the following reasons:

The IRS has stated repeatedly over the past two years that its current rules are ineffective in identifying schools which, while professing an open enrollment policy, in actual operation discriminate against minority students. It is a fact that a number of private schools hold tax-exemptions today even though they have been held by the federal courts to be racially discriminatory. Efforts by the IRS to promulgate new procedures that would focus on a school's actual operations have been blocked by the Ashbrook/Dornan amendments.

A recent federal court decision, *Green v. Miller*, has found current IRS procedures to be defective for conducting a meaningful review of private schools in Mississippi. This *Green II* decision restates the obligation of the IRS to ensure that racially discriminatory private schools do not benefit from tax-exempt status. While the *Green II* order technically applies only to Mississippi schools, there is no reason why the same standards should not be put into effect throughout the country. The Ashbrook/Dornan amendments would prevent this.

The new court-ordered standards for reviewing private schools in Mississippi apply only to schools that were formed or expanded at the time of public school desegregation, and schools that were adjudicated by courts to be discriminatory. Only these "badge of doubt" schools will have to come forward with a showing of acts and declarations that they do not limit their enrollment to non-minorities.

Last year when the Ashbrook and Dornan amendments were considered, even their supporters agreed that schools which actually discriminate against minorities should not enjoy tax-exempt status. When Repre-

sentative Ashbrook introduced his amendment, he made clear that it was intended as a stopgap measure to prevent the IRS from announcing new standards without further guidance from the courts or from Congress. That guidance has been provided by the *Green v. Miller* decision. Now there is no justification for further restrictions. IRS must be allowed to fulfill its constitutional and statutory obligations to assure that racially discriminatory schools do not operate with the benefit of federal financial assistance in the form of tax exemptions.

We urge you to allow IRS to administer the tax exemptions provided in § 501(c)(3) in a fair, effective, and constitutional manner. Sincerely,

John Shattuck, Director, Washington Office, American Civil Liberties Union; William L. Robinson, Director, Lawyer's Committee for Civil Rights Under Law; Ruth Robbins, Action Chair, League of Women Voters of the United States; Charles V. Bergstrom, Executive Director, Office for Government Affairs, Lutheran Council in the USA; Maudine R. Cooper, Vice President of Washington Operations, National Urban League; Father Frederick Hinton, Executive Director, National Catholic Conference for Interracial Justice; Mary A. Freeman, School Social Work Coordinator, National Association of Social Workers; Elaine Jones, Washington Office, NAACP-Legal Defense and Education Fund; Robert S. McIntyre, Director, Public Citizen's Tax Reform Research Group; Mary Jane Patterson, Director, Washington Office, United Presbyterian Church in the USA; Stanley J. McFarland, Director of Government Relations, National Education Association; Phineas Indritz, National Counsel, American Veterans Committee.●

#### PROHIBIT THE USE OF LIE DETECTORS IN HIRING PRACTICES

**HON. JACK F. KEMP**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. KEMP. Mr. Speaker, because of the dangerous and widespread use of unreliable lie detectors as a basis for hiring and firing, I have cosponsored Representative DON EDWARDS' bill, H.R. 6034. This bill would prohibit the use of lie detector tests as a tool of employee personnel testing. It is long overdue.

Each year over 400,000 Americans are subjected to lie detector tests. Their crime? They want a job. It is estimated that fully half of this Nation's retail companies use polygraph tests to screen job applicants or to weed out unwanted employees.

There is no voluntary participation in a lie detector test to a person whose job is on the line. Refusal to take a test is tantamount to admitting to a criminal mind. Refusing to answer questions while voluntarily taking a test is equally damaging.

This is an unconscionable invasion of privacy. There can be no excuse for the use of lie detectors in hiring practices that is not outweighed by the in-



herent wrongness of the use of these devices on innocent people.

And the incredible thing about all this is—lie detectors lie.

There are two kinds of lie detectors in common use—the polygraph, and the voice stress analyzer (VSR). The VSR purports to detect poor workers from tremors in the voice. The most familiar test to most of us is the polygraph test—the machine which, when connected to the subject through electric wires, a corrugated rubber tube wrapped around the subject's chest, and a pressure cuff wrapped around the subject's arm, attempts to determine a person's character by measuring blood pressure, pulse rate, respiration, and perspiration. No allowance is made for individual differences such as blood sugar levels or other medical irregularities; no allowance is made for personality differences, which may make one subject nervous when simply asked his address under the clinical circumstances surrounding the administration of the test.

The accuracy of the lie detector? Experts agree that a trained personnel administrator will get consistently more accurate results with a history check and a personal interview than with a polygraph or a VSR. In fact, in many circumstances lie detectors are less accurate in determining bad employees than if the test administrator had simply flipped a coin to determine his or her honesty.

It is for this reason that I have cosponsored H.R. 6034, to prohibit the use of lie detectors by employers for reasons of hiring or firing. The American people should not have to be subjected to the humiliating invasion of privacy that lie detector tests mean to those who are forced to undergo them while innocent of any crime. I am supported in this effort by the United Food & Commercial Workers International Union and the Food and Beverage Trades Department of the AFL-CIO.

This violation of citizens' rights must be ended. I commend my colleague, Mr. EDWARDS, for his diligence on this bill, and I urge the Members of the House of Representatives to lend their strong support to halt this legalized invasion of privacy. ●

**TRIBUTE TO BERNARD POLEK  
ON HIS RETIREMENT AS CHAIRMAN  
OF TALMAN FEDERAL SAVINGS  
AND LOAN ASSOCIATION  
OF CHICAGO**

**HON. JOHN G. FARY**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. FARY. Mr. Speaker, it is my privilege to commend my noted constituent Bernard A. Polek for his distinguished and unselfish dedication to the good of the people of the Fifth Congressional District of Illinois and

to the people of the Greater Chicago area.

Bernard Polek is retiring as executive committee chairman of Chicago's largest savings and loan association, Talman Federal Savings and Loan Association.

He first joined Talman more than 41 years ago and was elected to Talman's board of directors in 1949. He served as Talman's president from 1961 to 1974 and was elected board chairman in 1963. During his many long years of service at Talman, Bernard Polek has earned the friendship and respect of an entire community.

The people of Chicago know Bernard Polek for much more than being an accomplished and nationally recognized banking authority. They know him for his selfless dedication to the good of our entire community. The Talman Federal Savings and Loan Association was founded many years ago by Bohemian immigrants to Chicago's southwest side, and has had an integral role in the area's development. Immigrant families from all nations who came to Chicago to work for a better life, started on the road to that better life by opening savings accounts at the local savings and loan. Even I can remember my parents sending me to the bank each week with the seven passbooks for my family and putting 10 cents or a quarter in each one. After 20 years of saving and sacrifice like this there was enough money in those accounts to act as a wedding present for the children to make the downpayment on a house, always with a rental unit to give some help with the payments. Without institutions like Talman Savings and Loan to help immigrants make it into the middle class, Chicago would not have thrived as it has. Without men like Bernard Polek working at Talman the whole system would not have worked as well.

Bernard Polek has served as chairman of the board of the Moraine Valley Community College Theodore Lownik Scholarship Fund, as a member of the advisory committee of the Civic Federation of Chicago, as a member of the board of the Chicago Association of Commerce and Industry, the government board of the Glenwood School for Boys, as a member of the Federal Legislative U.S. League Committee, and as president of the Geneva Lake Water Safety Committee.

He has also served on the New Monastery Fundraising Committee of the Development Foundation of the Poor Clares of Chicago, the Chicago Committee of the Illinois Sesquicentennial Commission, the Third Annual Business Leaders Conference on Crime and Delinquency, the board of trustees of Holy Cross Hospital, the board of trustees of Illinois Benedictine College, as general chairman of the building campaign for the Southwest School for Retarded Children, and was appointed to the Men of Mercy Spon-

sorship Committee for the building of Mercy Hospital.

His accomplishments in the financial community provide a proud record of distinction. Bernard Polek has served as vice chairman of the United States Savings and Loan League Law and Regulations Committee and the League's Arrangements, Resolutions and Liquidity Committees. He has been appointed to the league's Legislative Committee for 4 successive years.

He has served as president of the Federal Savings and Loan Council, as a director for 3 years, and on the council's Law Regulations Committee. Bernard Polek has also served as industrial finance chairman of the Committee for Economic Development of the Midwestern Savings and Loan Associations, as president of the Illinois Savings and Loan League convention, on the Special Anniversary Membership Committee for the Savings and Loan Foundation, the Joint Advertising and Publicity Committee of Insured Savings and Loan Associations of Cook County, as cochairman of special activities for the Cook County Council spring conference and installation banquet, as chairman of the Economic Liaison Committee for the Cook County Council of Insured Associations, and as vice president of the Illinois Savings and Loan League.

A tireless worker for the good of Chicago's diverse neighborhood communities, Bernard Polek has been active on the Chicago Real Estate Board, the Southwest Realty Board, the North Side Real Estate Board, the Federal Savings and Loan Council of Illinois, the board of directors of the Better Business Bureau of Metropolitan Chicago, Inc., the Southwest Lions Club of Chicago, the Evergreen Park Post of the American Legion, the Travelers Club, the St. Rita Council, Knights of Columbus, the Ascension Church of Oak Brook, and the Chicago Area Council of Savings Associations.

Bernard Polek's roots run deep into the community we love so dearly. He graduated Mount Carmel High School, the American Savings and Loan Institute, and he stayed relatively close to home when he graduated from the School of Savings and Loan, the School of Business at Indiana University. He and his lovely wife, Lydia, have four children and seven grandchildren.

Our good friend and neighbor also achieved a distinguished career in the U.S. Army during World War II with the 740th Railway Operating Battalion in France, Belgium, Holland, and in Germany.

Bernard Polek has devoted his life to serving our great community. He is an understanding and compassionate man. He is a man who intensely loves our wonderful community and our great country.

Since joining Talman Federal Savings & Loan 41 years ago, Bernard

Polek has been a driving force behind this community. He has helped instill confidence and trust in the health of our neighborhoods and the future of our city.

I wish everyone who hears my words would visit the southwest side of Chicago and witness for themselves the great vitality of our neighborhoods. I am not exaggerating when I say Bernard Polek has played an important role in building that vitality through his faith and confidence in our people.

The grateful people of the Fifth Congressional District of Illinois salute Bernard Polek on his retirement for his years of service to our great community.

We all give thanks and wish Bernard Polek Godspeed in all of his future endeavors and hope to see him continuing his involvement in the many things which make this city great.

He is the kind of person who has made this country what it is, through his unselfish and tireless dedication to our community, through his unending belief in the good of his fellow man, through his participation in the greatest democratic system ever known to man.

I am proud to call Bernard Polek my constituent, my good neighbor, and my good friend.●

#### THE CONSUMER PRODUCTS SAFETY COMMISSION

**HON. DAN QUAYLE**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. QUAYLE. Mr. Speaker, the Consumer Products Safety Commission has taken the worst aspects of the Federal Trade Commission, OSHA, EPA, and EEOC and raised them from a high art to a religion in terms of capriciously promulgating rules, changing standards, and being totally unwilling to take into consideration the results of their actions.

The CPSC's recent, unwarranted actions toward the cellulose insulation industry is a most painful case in point.

The cellulose insulation industry attempted, unlike some other industries, to reach an accord with the CPSC with respect to safety standards for their material.

The industry joined together to have materials tested by highly reputable testing laboratories, like Underwriter's Laboratory, Certified Laboratory, Factory Mutual, and others.

The cellulose industry is unique inasmuch as there were 800 small manufacturers of the product supplying insulation to a growing industry.

The CPSC decided to institute its own testing program. The results of that program has caused confusion, fi-

nancial hardship, and, in many cases, bankruptcies.

The Consumer Product Safety Commission has not helped the consumer because there has not been a single instance of injury from installed insulation—either before or since they began their retesting program.

In fact, the Consumer Product Safety Commission has actually harmed consumers, because of the 800 small businesses which were in existence to manufacture this product, fewer than 250 remain.

Many of these are in imminent danger of having to close their doors, and put people out of work because of the unreasoning manner in which the Consumer Products Safety Commission is acting.

When is this Congress going to take control of this Government away from unelected, untrained, and unyielding bureaucrats so that the people of this country who want to be productive, who want to build businesses, who want to provide jobs, who want to help improve our society can be left alone to do so.●

#### NEED FOR IMPROVING OUR NONPROLIFERATION POLICY

**HON. JOHN W. WYDLER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. WYDLER. Mr. Speaker, ineffective and self-defeating—these words best describe the record of the Nuclear Nonproliferation Act of 1978. This misdirected legislation and the administration's "policy of denial" have been aimed at preventing the transfer of nuclear materials and technology from our country, based on the self-deceptive premise that the United States has an effective monopoly on these goods. Since we do not have such a monopoly, the counterproductive results have included the loss of billions of dollars in business for American industries, and an end to U.S. influence in the nuclear policy of nations which have had to go elsewhere for nuclear technology. In all my discussion in at least 23 countries over the last 3 years, the conclusions I have drawn parallel those of Gordon C. Hurlbert, in his article, "Salvaging U.S. International Nuclear Policy," from the Nuclear Energy Digest.

The following excerpts are from Mr. Hurlbert's article from Nuclear Energy Digest, published quarterly by the Marketing Communications Department, Nuclear Commercial Operations Division, Westinghouse.

In this article I do not intend to provide an industry view of the success or failure of the United States in the area of international nuclear commerce since the passage of the Nuclear Non-Proliferation Act of 1978. Rather, I intend to present the view of an American citizen, one who is deeply concerned over the tragic failure of the United

States to translate its legitimate concerns over the proliferation of nuclear weapons into policies and legislation which enhance achievement of this goal.

That the Nuclear Non-Proliferation Act of 1978 is failing in its objectives . . . that the United States is losing influence in this critical area . . . is not an opinion, but a fact, a fact easily substantiated by a review of what actions the United States has taken and is taking in the international nuclear area.

Fact: Although the Act was "designed" to have the United States become a more reliable supplier, the record shows frequent failures of the implementing agencies to meet the specified schedules for export licensing actions. The Executive Branch's January 1979 Report to the President, required by the Act, indicates that it exceeds the specified 60-day processing period in 226 cases, while processing only 134 applications in the same period. Although I don't have similar statistics on the performance of the NRC, it is my understanding that it exceeded the time limit in more than 40 percent of the cases.

#### A LACK OF UNDERSTANDING AND TRUST

I think the root of the problems in our existing nuclear policies is that we have given little thought to the energy needs of our allies and to their often limited access to energy resources. To our allies it seems that the U.S., with its still vast energy assets, is trying to limit and proscribe their future energy options, which might be based on quite different national circumstances than ours. For example, Japan must import 99 percent of its energy. West Germany, which is increasingly dependent on heavily subsidized deep-mined coal, or is buying large quantities of its oil on the Rotterdam spot market, should not realistically be expected to give up any energy option with as much promise as the fast breeder reactor. The breeder has the potential of providing a large measure of energy self-sufficiency.

Further heightening this sense of dependence is the fact that neither Japan nor West Germany has its own supply of uranium, as contrasted with the U.S. But U.S. policy, as embodied in the Nuclear Non-Proliferation Act, was directed at slowing down or negating the fast breeder option, without our being able to present convincing proof that any significant off-setting non-proliferation or other advantages would ensue. Of course France, Britain, and the Soviet Union, most advanced in breeder technology, have continued to develop this option despite U.S. views to the contrary.

The second major reason for the failure of our policies is that, embodied in their unilateral formulation and implementation, there is a blatant lack of trust in the intentions and institutions of our trading partners. The perception of our friends and allies is that we question their non-proliferation objectives and also their belief that to achieve those objectives they must maintain export policies which recognize the sovereignty of individual states. Not all nations represent the same non-proliferation risk, but we treat each as though it was the worst case on the scale. Had the U.S. first consulted with its allies, shown some flexibility in its policies and some trust in the intentions of other countries, where such trust in most cases is truly merited, many of the foreign attitudes and actions which have led to the present situation would not have developed to such a level of intensity.

#### GRAVE ECONOMIC AND POLITICAL CONSEQUENCES

This lack of recognition of other countries' needs, this inability to balance non-proliferation objectives against these energy



needs, and this lack of trust in the resolves of our friends have, in combination, created a situation of great uncertainty with respect to the U.S. as a reliable supplier in the international nuclear market. As a consequence, a general movement on the part of all countries toward greater independence in nuclear matters, as well as greater interdependence among nations on supply arrangements which exclude the U.S. This major erosion in our position of nuclear leadership hurts us economically and politically.

Economically, it is accompanied by a declining market share of available nuclear export orders. In 1972 the U.S. had received about 90 percent of the export awards of nuclear power plants in the free world. During the period of 1973 to 1978, U.S. suppliers could achieve only about 50 percent of the available export awards. This severe loss of market share affects two crucial areas.

First, it results in a loss of jobs in the United States. The loss of one export order means the loss of 30,000 man years of employment for U.S. workers. These are lost jobs for professionals, engineers, technicians, and factory and construction workers in companies located in over 40 states throughout the country.

Second, it severely affects our balance of payments. The 1980 export value of one nuclear power plant project can exceed one-half billion dollars. During the next 10 years the potential export market could easily amount to several billions of dollars annually. Nuclear power plants, fabricated fuel, and enrichment services are probably the biggest single ticket item which the U.S. has in its export portfolio. As a result, it can play a major role in our ability to compensate for the continually rising costs of oil imports.

Politically, our loss of nuclear position is accompanied by a lessening of our ability to develop and lead a consensus of nations in achieving mutual non-proliferation goals and policies. It is ironic that our policies to date have probably achieved exactly the opposite results from those which were desired.

#### REGAINING A LEADERSHIP POSITION

The question we must now address is whether or not the U.S. Government can recoup its position as a leader in this area. I believe the answer is yes, but it is as a leader, not *the* leader. Other nations will still welcome our playing a constructive and important role in evolving long-term international policies in the areas of reprocessing, use of plutonium, breeder reactor development, and nuclear weapons control, as well as in developing a cooperative approach to nuclear environmental issues. But our approach cannot remain unilateral. We must recognize that we do not have all the right answers. We must recognize the views of the developing nations, as well as those with fully developed commercial nuclear capabilities. We must recognize the energy needs of all nations and be willing to adjust our policies to reflect those needs.

We should begin now to review the Nuclear Non-Proliferation Act with the objective of passing improving amendments as soon as possible. We might even consider replacing it with two acts—one devoted to weapons non-proliferation in its broadest sense, and one dealing with nuclear exports. Some of the present problems arise from the misconception that nuclear exports and weapons non-proliferation can be treated by the same legislative measures.

The present Act is so complex and often convoluted in its many redundant control

mechanisms that it defies the comprehension of foreign customers, and even of those in the U.S. who work with it constantly. These should not be hasty, ill-thought-out revisions, but should carefully consider the realities of our position as one of many countries involved in commercial nuclear energy. Above all, the revised legislation should be simple in its implementation and should leave no doubt in any country's mind that when the non-proliferation requirements are met the necessary licenses will be issued.

There should be increased emphasis on the future sanctity of agreements, including the guarantees of security of supply contained within the terms of such agreements. The licensing process would then become much less complicated, with the role of the NRC changed to that of a technical adviser and consultant, rather than, as now, the dominant decision maker in this highly sensitive foreign policy area. The NRC should, in my opinion, be devoting its full efforts to important domestic nuclear problems, particularly in the areas of reactor safety and expedited licensing, rather than spending the substantial amount of time it now spends on international export matters.

We should strengthen our support of the IAEA in its activities with respect to spent fuel management, international plutonium storage (and, like it or not, there will be separated plutonium to be stored), and, above all, in its endeavors to establish an international regime in which assurances to prevent the spread of nuclear weapons are coupled with assurances of supply for fuel, services, and equipment.

The U.S. needs a reprocessing industry in the future, and I firmly believe that a rational multinational approach to this issue will greatly enhance our long-term nonproliferation goals. One possible approach to reprocessing and plutonium handling would be for the Federal Government to set up and run an entity whose sole raison d'être is to develop and implement this advanced technology, including the development of sophisticated safeguards equipment and techniques. Perhaps this could be further extended to a multinational entity in the U.S. created to achieve a similar scope.●

#### STATEMENT ON PIONEER DAY BY CONGRESSMAN DAN MARRIOTT

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. MARRIOTT. Mr. Speaker, today, July 24, signifies a most important day in the history of the State of Utah. It was on this day in 1847, after many struggles and hardships, that the Mormon pioneers finally arrived in the Great Salt Lake Valley.

It was on this day that Brigham Young, weak and feeble from exhaustion and illness, stepped out of his wagon, looked over the vast desert between the great Salt Lake and Utah Lake, divided by a Jordan River, and said, "This is the right place."

From that point on the pioneers went forward, worked hard, and built

a great city and a great temple in the middle of a desolate desert. It was there that the hearty pioneers made the desert blossom as a rose as they built one of the most beautiful cities in America. It was also there that they were allowed to practice their religion in peace. And from that point on a great American religion continued to spring forth.

It was there too that we saw the beginning of a new State. Utah eventually entered the Union in 1896.

Today in Utah we celebrate the arrival of these hearty pioneers with the largest celebration in the State. There will be festivities in every city and town as Utahans pay tribute to those who sacrificed so much for so many.

Today Utah is one of the most crucial, important States in the Union. Here is a State that bears a great portion of our national defense capabilities. Here is a State rich in natural resources—oil, coal, and other minerals. Here is a State with over 93 percent of the Nation's tar sand deposits, having the potential of providing 25 to 30 billion barrels of new oil for America.

Here is a State where countless more billions of barrels of oil can be developed from the vast quantities of oil shale under the Earth's surface. Utah will become the home of the Nation's largest coal-fired electrical plant as well as one of the very few geothermal energy plants in the United States.

Utah also could be the home of a future synthetic fuels plant and the Nation's largest solar power conductor—the Great Salt Lake.

Obviously Utah will be the energy giant of the United States.

Utah is best known for its majestic mountains and beautiful scenery, its great skiing, and above all, its friendly, self-sufficient, patriotic people.

So as Utah stands ready to help the Nation in so many ways, let us pause and pay tribute to this great State. Let us pay tribute to its pioneers—its founders. Let us pay tribute to those hearty forefathers who made great sacrifices, often with their lives, to build up the State and the Nation.●

THE BEST TO YOU EACH  
MORNING

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. COELHO. Mr. Speaker, earlier this month I shared with my colleagues, through a statement in the CONGRESSIONAL RECORD, the waste of time and tax dollars on the Federal Trade Commission "shared monopoly" case, which alleges anticompetitive marketing practices on the part of the Nation's cereal industry. Since many of the products contained in breakfast cereals are grown in my largely agricultural congressional district in sunny central California, and since my

constituents, whether engaged in agriculture or not, have let me know in no uncertain terms that they are fed up with bureaucratic nonsense in Washington, I am compelled to again discuss this issue with the House.

In the business and finance section of Sunday's Washington Post, staff writer Merrill Brown details the fiasco surrounding the FTC's handling of the case. I am including the article in the RECORD following my remarks. As far as I am concerned, Mr. Speaker, until the FTC gets back to the business which Congress intended it to do, our mornings at the breakfast table could be a little bit better.

The article follows:

**SNAP, CRACKLE, POP: STORM OVER CEREALS**  
(By Merrill Brown)

In early August 1978, Harry R. Hinkes, then a 68-year-old law judge at the Federal Trade Commission, walked into the office of another FTC judge and suddenly announced that he planned to retire at the end of the month.

Although federal employees retire all the time, this announcement was a little different. Hinkes had been taking testimony for more than two years in the commission's landmark antitrust suit against the three largest members of the nation's cereal industry.

FTC officials panicked. Millions of dollars had been spent on the case, and they faced the possibility of retrying the entire cereal matter.

What followed is a complex and somewhat confusing tale of how the FTC kept Hinkes on board by offering him a \$72,000 contract, approved by FTC Chairman Michael Pertschuk—a contract largely viewed by federal management officials and others as an improper, possibly illegal deal. Pertschuk later said the arrangement by which Hinkes remained on the case was of "questionable validity."

There is no evidence that the Civil Service Commission, which monitored the affairs of these judges at that time, officially approved the contract. Marvin Morse, new director of the Office of Administrative Law Judges at CSC's successor, the Office of Personnel Management, recently said such contracts are not "lawful or proper." "We would not approve such a contract."

A congressional prober puts it even more bluntly. "Basically, the FTC procured a judge like a piece of meat," said the source. "But I don't think what Hinkes did was ethical or proper either."

Although the case against Kellogg Co., General Mills Inc. and General Foods Corp. did continue, and the record of evidence is now closed, the three companies claim the whole matter has been unfairly and irreparably tarnished.

The cereal case is considered one of the government's four most important pending antitrust cases because it addresses the question of shared monopoly—or industries in which a few companies control most of the market. At stake is the structure of the entire multibillion-dollar cereals industry—and other similar industries.

Without question, the "Hinkes affair" as it has come to be known in legal circles, has delayed the cereal case by months. Further, it has brought out the best and the worst of congressional lobbying efforts in connection with the FTC and has resulted in the passage of an amendment by the House Civil Service Committee to bar clearly the practice of retaining these judges while they are

annuitants (recipients of a fixed pension payment).

A detailed look at the events in the Hinkes case now can be constructed through memos, sworn affidavits and internal commission documents.

On that August 1978 day, Hinkes told Ernest Barnes, assistant chief administrative law judge at the commission, that he could not afford to miss the opportunity to garner a 4.9 percent cost-of-living retirement bonus that he would not receive unless he retired by Sept. 1, Barnes recalled.

Barnes says he was surprised by Hinkes' announcement. Hinkes, who had first joined the federal government in 1945, had been hearing testimony in the cereal case for more than two years, and Barnes said he thought Hinkes had a commitment to see the case through.

If Hinkes had left the commission at the time, it was possible the case would have to be retried completely and perhaps could result in the commission being forced to drop the entire matter, FTC officials feared. About 36,000 pages of testimony already had been taken and it appeared at the time that the case was within a few weeks of completion. Only Hinkes' task of writing the initial decision remained for him to complete.

But there was one way out. Although Hinkes and Barnes disagree about who first raised the idea, Hinkes said he would consider signing a contract that would pay him enough money to keep him on board.

On Sept. 7, after considerable hand-wringing about the fate of the FTC's much-ballyhooed cereals case, Hinkes had his contract. It had been approved by Pertschuk, on the advice of counsel, and called for Hinkes to receive compensation, including his pension, of almost \$72,000, considerably more than any other federal administrative law judge. The previous year, Hinkes had earned \$47,500.

All sides in the case admit mistakes were made in the handling of the Hinkes question. To the FTC, it was a regrettable but innocent blunder.

But in time the blunder has become so serious that Pertschuk, in response to a proposal by the cereal companies, Friday reversed a year-and-a-half-old position and removed himself from the commission consideration of motions regarding the Hinkes affair.

To cereal companies such as Kellogg's, the Hinkes contract was a violation of federal law that at least should result in a retrial of the case.

For members of a House Civil Service investigative subcommittee, it points up holes in the entire administrative law judge system. At the FTC, these judges, employees of the commission, hear significant cases such as the cereals case.

One high level official, Charles Dullea, former director of the Office of Administrative Law Judges at the Civil Service Commission, wrote to Raymond Jacobson, the executive director of the CSC, in 1978 to lay out the ramifications of the case for law judges and the entire federal work force.

"You should be aware," he wrote, "of a situation, if the media learns about it (the case) could be used to reflect adversely generally on federal employees and on the Corps, but with particularity on one ALJ. The conduct of the ALJ is shameful to say the least."

Hinkes' wife was ill in California, Hinkes said, and he was tired of the journey from Washington to the West Coast. "I had to leave the case or leave my wife, one of the two," Hinkes recalled in a sworn statement. "And I defy anyone to tell me I should have left my wife."

Barnes, in an affidavit, remembers it a bit differently. "The difference between his take-home pay and his retirement pay would be such that it was not worthwhile for him to continue working," Barnes said. "He therefore had decided that at his age he should retire now to take advantage of the cost of living bonus and the tax-free period of his retirement."

Hinkes says any statement that he had a commitment to stay on the case was an "untruth." Further, he recalled that Barnes called him "greedy" and "unpatriotic." In addition, Hinkes said that he would be willing to continue his work on the case in Los Angeles where his wife was getting medical treatment.

Barnes talked to Daniel H. Hanscom, the chief judge at the FTC, about a contractual arrangement. In conversation with Barry Kefauver, who then was the FTC's assistant executive director, Barnes insisted that the only option that would keep Hinkes on the case was a contract.

Kefauver discussed the contractual options with Dullea of Civil Service. According to Kefauver, in an affidavit, Dullea "expressed sympathy with the agency's dilemma and agreed that we apparently had no alternative but to yield to Judge Hinkes, given the substantial financial investment in the case."

Kefauver discussed the Hinkes contract situation with Daniel Schwartz, who at the time was deputy director of the Bureau of Competition.

"Schwartz stated that the agency had no alternative but to offer Judge Hinkes a contract or face the likelihood of retrying the whole cereal case," Kefauver recalled. The FTC officials concluded that the cereal case already had cost the FTC more than \$5 million.

Later in August 1978, Pertschuk called Hinkes "and in a very brief conversation, indicated only that I hoped he would accept the contractual arrangement and complete the case." Pertschuk recalled in a 1978 statement, noting that he did not discuss with Hinkes the merits or handling of the case. Nevertheless, such a contact between a commission chairman and a sitting law judge is highly unusual, if not improper, experts say.

"Understanding as I did that the arrangement with Judge Hinkes presented no legal problems, I concluded that the potential benefit to all concerned in having the case concluded in a manner that did not entail significant delays and burdens on the parties justified that arrangement to retain the services of Judge Hinkes," Pertschuk said in his statement.

But Pertschuk recalled that after he reviewed briefs of the parties in the case and realized that the contract had not been approved by the Civil Service Commission, he concluded that Hinkes' remaining on the case "was of questionable validity." Pertschuk approved the contract from a New England vacation spot where he spent that entire month and did not seek the views of other FTC members.

But Kellogg's goes a bit farther. Christopher McNaughton, the company's senior vice president and general counsel, told the House subcommittee this spring that the contract "destroyed ALJ Hinkes' judicial independence, created conflicts of interest between him and the respondents and otherwise created both the appearance and the fact of impropriety and bias."

According to the FTC contract with Hinkes, the agreement could be ended "for the convenience of the government, when it was determined that such action is in the best interest of the government," and an



amendment to the contract could be negotiated and the payments extended.

Hinkes was to be paid according to completion of his "tasks" in the case. For instance, he would receive \$10,800 as he finished hearing each of the three companies' defenses. Another \$10,800 would be paid for Hinkes' preparation of findings of fact and law.

In effect, the quicker Hinkes moved the case along, the sooner he was to have been paid.

With the contract in hand, Hinkes presided over the cereal case until Oct. 20, 1978, when the FTC stayed the case pending its handling of motions filed by Kellogg's and the other parties on the Hinkes affair.

On Dec. 8, 1978, the commission ruled that Hinkes was "unavailable" under federal law. He was removed from the case and replaced by another FTC judge, Alvin Berman, who resumed hearings in the case in October 1979, not having heard the testimony of 86 of the approximately 100 witnesses. Berman has pledged to finish his initial decision by October 1981.

The commission placed not only the cereal case, but also the Hinkes matter in Berman's hands. Berman withdrew from the Hinkes matter, noting that Hinkes was a personal friend. No ALJ would take the Hinkes case and the hot potato was thrown back into the laps of the commission itself.

Kellogg's and the other companies repeatedly have requested that an independent official be brought into the case to study the Hinkes affair and have asked Pertschuk to remove himself from both the antitrust case and the Hinkes inquiry.

Although the FTC has not been willing to bring in an outside judge, it is holding its own investigative proceeding, and FTC member David Clanton conducted a hearing on the Hinkes controversy. Affidavits were taken from some of the key officials involved in the case, and a decision on the Hinkes affair is expected soon.

Pertschuk denied in the motion filed Friday that he had prejudged the issues involved in the Hinkes matter, but said that resolving the motions before the FTC would involve evaluating "statements concerning matters in which I participated personally."

But the debate, legal maneuvering and lobbying on the Hinkes affair was only a beginning. While blasting the FTC's handling of the situation at every opportunity in the matter, the cereal makers took their case last year to Capitol Hill and found listeners in dozens of congressional offices.

Letters to the FTC began flowing in from members of Congress by the summer of 1979. The letters came from members of the House and the Senate who represent districts with special interests in cereal production: districts with Kellogg's facilities or districts where grain companies have substantial contracts with the cereal manufacturers. The letters sounded much the same, if not in a few cases, identical.

"Without in any way trying to prejudice this case, I believe that the appointment of Harry R. Hinkes by the FTC after his official retirement date to continue in this judicial capacity, raises some legitimate questions with respect to his appointment as an Administrative Law Judge as provided by the Administrative Procedures Act and the Civil Service Commission," wrote Sen. Donald Riegle (D-Mich.), a representative of the Kellogg Company's home state, in an Aug. 23, 1979 letter to Pertschuk. Two weeks later, Sen. Edward Zorinsky (D-Neb.), wrote a letter to Pertschuk with that identical language.

Letters on the Hinkes matter came to the FTC from members of Congress as powerful as Sen. Russell Long (D-La.), who said the

case had come to his attention "via constituents in the Louisiana rice industry who have done business for many years with the Kellogg Co."

Rep. Howard Wolpe, (D-Mich.), a first-term member from Battle Creek, Kellogg's home base, has been investigating the matter for much of his congressional term.

Noting that Kellogg's has a plant in Memphis, Sens. Howard Baker (R-Tenn.), the minority leader, and James Sasser (D-Tenn.), joined in, as did Sen. S. I. Hayakawa (R-Calif.), and many congressmen from grain trading states and from Michigan.

Most of the congressional activity on the Hinkes matter, from all indications, has been different in tone from the intense lobbying involved in this spring's congressional efforts to shut down the FTC's kiddie investigation of advertising directed at children or the antitrust case involving agricultural cooperatives.

All the congressional letters to the FTC clearly emphasize the procedural questions raised by losing a law judge in the middle of the case and the subsequent contract with Hinkes, rather than argue the merits of the antitrust action.

While the antitrust case dragged on, Rep. James Hanley (D-N.Y.), chairman of a civil service investigative subcommittee, was considering legislation to revamp the government's handling of administrative law judges, but like other members of Congress, Hanley steadfastly insisted that he would do nothing to interfere in the merits of the antitrust case.

Spurred by Rep. Donald Albosta (D-Mich.), Hanley conducted hearings on the matter last month. And the full civil service committee passed the amendment to bar the contract process, unless it is approved by the OPM. FTC officials say the handling of the matter, even the relentless work of Wolpe in particular, has been fair and even-handed.

Nevertheless, if the aggressive lobbying efforts by Kellogg's and the other respondents in the case of the questionable contract has ended with the passage of the amendment, the Hinkes matter remains a vital factor in the fate of the case. "It would be a shame to lose or have to retry a case we're winning," said an FTC official. ●

#### THE AGRICULTURAL CONSERVATION PROGRAM

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. BONER of Tennessee. Mr. Speaker, I rise today to urge congressional support for the agricultural conservation program (ACP) administered as a partnership between the farmer and his Government. The objectives of this program include restoring and improving soil fertility, reducing erosion caused by wind and water, and conserving water on land. The ACP is administered through a local network of 3,053 farmer-elected county committees. This program provides the best possible means of meeting local conservation needs in all areas of the country by providing the leadership needed to identify the conservation problems and encourage fellow farmers to take action to correct these problems.

By integrating their farming knowledge and insight with their concerns, as local taxpayers and consumers, these committees have developed efficient and effective conservation management plans which benefit their counties.

In terms of accomplishments, this program has resulted in the planting of over 8 billion trees, the construction of over 2 million water impoundment structures, and the terracing of nearly 35 million acres of land.

For a number of years, the Congress has had to insist that this valuable program be maintained. Had the Congress not so insisted over the years, our country would now be like the other eroded and soil-deficient countries of the world.

Mr. Speaker, we must maintain this program and, for this reason, I support the appropriation of \$190 million for the agricultural conservation program for fiscal year 1981, the same funding level for last year and over \$30 million more than requested by the administration.

We must, Mr. Speaker, rededicate ourselves to the conservation of our greatest natural resources—our soil and water, maintain and supplement our battle against water pollution, enhance agriculture's contribution to the stability of the dollar and our balance of payments, insure a resource base for expanded food production to aid those less fortunate abroad, and contribute to energy conservation by preventing the waste of petrochemical-based fertilizers in the humid areas.

I urge congressional support for this worthwhile grassroots effort of local, State, and Federal cooperation. ●

#### FROM SCHOOLTEACHER TO CORRECTIONS CHIEF

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mrs. CHISHOLM. Mr. Speaker, one of the refreshing things about the changing roles of women has been how well some of us have been able to adapt. There are many women who have been in the vanguard of this change who have come from very ordinary and traditional circumstances. Jacqueline McMickens is one of them. Formerly a third-grade reading teacher, she now serves as the first female chief of operations in the New York City Department of Correction.

These two positions outwardly have very little in common; but they both show Chief McMickens' desire to help and to serve others—female virtues that fit the role of leadership quite well.

The following article tells her story:

[From the New York Times, June 2, 1980]  
FROM SCHOOLTEACHER TO CORRECTIONS CHIEF  
(By Judy Klemesrud)

Jacqueline McMickens used to teach reading to third-graders, a very traditional job for women. Nowadays the 44-year-old Brooklyn resident has one of the most non-traditional jobs ever held by a woman in the city: She is the first female Chief of Operations in the New York City Department of Correction.

Mrs. McMickens, or "Chief," as she prefers to be called, was named to the \$49,000-a-year post last October after 16 years as a uniformed member of the department. She is in charge of the day-to-day operations of the department, and as the top uniformed member she personally responds to all escapes, suicides, homicides, inmate protests and job actions in the city's 16 corrections facilities.

"It's a job where you know when you have helped someone; when you're successful, the inmates leave the system," she said the other day in her office on the 15th floor of the Criminal Courts Building. "When I was teaching, there were fewer rewards, because I just didn't feel what I could do in nine months could be that permanent. It also depended on the teacher before me and the teacher after me."

#### A FAVORITE SUCCESS STORY

Recalling one of her favorite success stories, Chief McMickens told of an inmate she had worked with when she was a correction officer assigned to the old Women's House of Detention in Greenwich Village. It was the job of one inmate to make coffee, but she always refused to clean the urn afterward.

"I put soap and other things in the urn so she would have to wash it," Chief McMickens said. "Finally, she came to me one day and said, 'You make me so miserable that I want to be away from you and away from this place.' Today she is a graduate student at New York University and is assistant to a project director."

Chief McMickens, who was wearing a tan Calvin Klein suit with a slit skirt, looks extremely young for her age—more like a college sophomore than a 44-year-old woman in charge of the day-to-day operation of jails housing what on a recent day was 7,285 inmates (6,937 men, 348 women).

She said that because of her youthful looks, her height (5 feet 2 inches) and her sex, some of her male subordinates were at first reluctant to salute her.

#### SOME CAN'T ACCEPT HER

"Some of them still call me 'she' instead of 'chief,'" she said, in her calm but firm manner, "and it drives me up the wall. Some people just can't accept it that a woman finally has this job."

Her boss, Benjamin Ward, Commissioner of the Department of Correction, said he had chosen Mrs. McMickens for the important operations post "because she has a national reputation in the correction field, she has a master's degree, she ran the male-dominated training academy for many years, and she was one of the first female deputy wardens to run a male correction facility," the Adolescent Remand Detention Center on Rikers Island.

He added that when she took over her duties last fall, "I was overly concerned and protective, and all in vain." He paused for a moment, smiled and added: "I just wish she were six feet tall."

Another high-ranking member of the department described Chief McMickens as "tough but feminine."

"I've seen people come out of her office who looked like they didn't know what hit

them," he said. "But then she'll turn on her feminine side, and start talking about her sons and the things she likes to cook."

The chief concedes that she has seen a lot in her 16 years with the Correction Department. But even she was amazed recently when a missing hacksaw blade that several Rikers Island inmates used to escape turned up inside a captured inmate's colostomy bag. "I thought it was pretty clever," she said with a slight smile. "In fact, it was incredible!"

Chief McMickens, who is on call 24 hours a day, seven days a week, was called to Rikers Island twice recently during a dispute that broke out when a kitchen at the Men's House of Detention ran out of pot roast on a day that pot roast and ham were the meal choices. "The inmates refused to leave the dining room until they got pot roast," she said. "So we arranged to cook some more pot roast, which took about two hours."

#### STOPPING A RUMOR

During that time, she said, one inmate who refused to go back into his cell had to be "restrained" by correction officers. He wound up in the hospital, and the rumor spread that he had been killed. When the inmates refused to go back to their cells in protest, Chief McMickens arranged to have the injured inmate talk to several other inmates by telephone, after which the protesters agreed to return to their cells.

Chief McMickens was born in Birmingham, Ala., where her father, Zolzie Montgomery, was the first black man to work as a Railway Express driver. She studied biology at Miles College there, where she met her husband-to-be, William McMickens, who is now a bacteriologist for the city's Department of Health. He also works an additional four hours a day as a mail handler for the Postal Service.

"We're both workaholics," she said, adding that she also did management consulting work and taught at Baruch College, boosting her total income to more than \$65,000 a year.

The McMickenses live in a 100-year-old dark green Victorian house in the Flatbush section of Brooklyn, with two of their three sons, Charles Maurice, 20, a Brooklyn College student, and Barry, 19, who plans to enlist in the Army. Their oldest son, Lennell, 26, is married and lives in Cincinnati, where he works for the Cincinnati Library Service. The McMickenses also own a summer house on Cape Cod.

#### A LOVE FOR COOKING

Despite the highly nontraditional nature of her work, Chief McMickens has no hesitancy in talking about her love for cooking ("Right now I'm into crab meat and spinach quiche"), her fondness for collecting crystal and her passion for good clothes. "I sew, too," she said, with an ironic laugh.

Devora Cohn, the general counsel for the Department of Correction, overheard Chief McMickens's comment about sewing and remarked: "She sews, she bakes, she's really the 'total woman.'"

The chief, who has both bachelor's and master's degrees from the John Jay College of Criminal Justice, said that one of her biggest rewards so far has been assigning more female correction officers to nontraditional jobs—in male prison wards, in the transportation division and in the Bronx and Brooklyn men's facilities.

"I am convinced that women officers can do almost any job that men officers can," she said. "But I wouldn't send a female in to supervise male inmates in the shower, and vice versa." At present, she said, there are about 3,400 male and 340 female correction officers.

Has the chief's husband always supported her correction career? "At first I had some pressure from him to leave," she said. "He insisted we have child care for the boys, and the baby sitter made more money than I did at the beginning. She used to lend me money."

But as she rose through the ranks from correction officer to captain to deputy warden, she said, her husband became more supportive, and he urged her to take her present job. "The only thing that concerns him is when I get a call in the middle of the night and have to drive to a correction facility alone," she said.

Does he ever volunteer to come along? She smiled. "He says, 'Drive carefully, and don't speed,' and then he goes back to sleep." ●

#### CAPTIVE NATIONS WEEK

#### HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. DERWINSKI. Mr. Speaker, yesterday, here in the House, we commemorated the 22d anniversary of Captive Nations Week. However, last week, this event was marked by rallies, church services, and other activities across the country. I would like to direct the attention of the Members to several proclamations issued in honor of this year's observance of Captive Nations Week. Mayor John Seymour of the city of Anaheim, Calif.; Mayor Jake M. Godbold of the city of Jacksonville, Fla.; and the Governor of the State of Kansas, Hon. John Carlin, all noted Captive Nations Week by official proclamation. They read as follows:

#### A PROCLAMATION

Whereas through direct and indirect aggression the Russian Communists have enslaved the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Afghanistan, and others; and

Whereas the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States, as leaders in bringing about their freedom and independence; and

Now be it hereby proclaimed by the Anaheim City Council that the week of July 13 to 19, 1980, be declared as "Captive Nations Week in Anaheim" and calls upon all residents to recognize the plight of these captive peoples and support their just aspirations of freedom.

Authorized by the Anaheim City Council this 15th day of July, 1980.

JOHN SEYMOUR, Mayor.

E. LLEWELLYN OVERHOLT, Jr.,

Mayor Pro Tem.

MIRIAM KAYWOOD, Councilwoman.

BEN BAY, Councilman.

DON R. ROTH, Councilman.



Attest:

LINDA D. ROBERTS,  
City Clerk, City of Anaheim.

## PROCLAMATION

Whereas the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Afghanistan, and others; and

Whereas the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States, as leaders in bringing about their freedom and independence; and

Whereas the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples: Now, therefore,

I, Jake M. Godbold, Mayor of the City of Jacksonville, Florida, by the authority vested in me, do hereby proclaim that the week commencing July 13, 1980 be observed as Captive Nations Week in Jacksonville, and call upon the citizens of Jacksonville to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

In Witness Whereof, this 10th day of July in the year of Our Lord, One Thousand Nine Hundred and Eighty.

JAKE M. GODBOLD,  
Mayor.

## PROCLAMATION BY THE GOVERNOR

To the People of Kansas, Greetings:

Whereas the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Afghanistan, and others; and

Whereas the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their

sympathy with and support for the just aspirations of captive peoples: Now, therefore, I, John Carlin, Governor of the State of Kansas, do hereby proclaim the week of July 13 through 19, 1980, as Captive Nations Week in Kansas, and call upon the citizens of the State to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

Done at the Capitol in Topeka under the Great Seal of the State this 7th day of July, A.D., 1980.

By the Governor:

JOHN CARLIN,  
JACK H. BRIER,  
Secretary of State.  
WILLA M. ROE,  
Assistant Secretary of State. ●

# THE IMPORTANCE OF CRIME PREVENTION IN PROVIDING A MORE SECURE LIVING ENVIRONMENT FOR THE ELDERLY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. BIAGGI. Mr. Speaker, fear of criminal victimization is one of the most serious concerns of older Americans.

This point was made emphatically as far back as the 1971 White House Conference on Aging. It was reaffirmed in a Louis Harris poll conducted for the National Council on Aging, which identified crime as the No. 1 concern of the elderly. Throughout my time as an original member of the 5-year-old House Select Committee on Aging, I have been aware of the great fear of crime among senior citizens. I have conducted three different hearings on the subject, including one hearing on confidence game schemes against the elderly.

My efforts led to the successful inclusion of an amendment to the 1979 legislation extending the Law Enforcement Assistance Administration. My amendment provides for the first time that crimes against the elderly must be included in statistics compiled by the LEAA. This will prove helpful in allocating Federal resources to fight crime.

My amendment may also prove helpful in more properly interpreting the statistics that are disseminated. Law Enforcement Assistance Administration statistics reveal that younger criminals are much more likely to be victims of violent crimes than older Americans. However, these figures standing alone can lead to misleading or erroneous conclusions.

First, the raw statistics do not show the psychological, economic, or social impact of crime. For example, an injury from an aggravated assault is likely to be more serious—and take a longer time to heal—for an older victim than a younger person. A theft of \$100 will ordinarily cause greater hardship for an aged individual than a younger victim because the senior citi-

zen is probably living on a limited income.

Second, the victimization rate for older Americans tends to be lower because many live under a form of house arrest—cut off from family, friends, and service providers. However, their security is purchased at the price of placing great restrictions on their freedom of movement. Routine tasks for most younger persons—such as shopping or going to the doctor—become formidable obstacles for older persons who fear for their personal safety. The net impact is that large numbers of older Americans live barricaded in their homes, afraid to venture into the outside world.

Third, a substantial amount of offenses committed against the elderly go unreported because they fear reprisals. Older witnesses may also be reluctant to testify if they fear for their personal safety.

However, the evidence is clear and convincing that much crime can be prevented through community efforts and at a comparatively low cost. Mr. George Sunderland, senior coordinator for the National Retired Teachers Association and American Association of Retired Persons crime prevention program, has made this point very forcefully and effectively.

Since 1972, NRTA and AARP have conducted a crime prevention program to help older persons reduce the risk of being victimized. This program provides a wide range of helpful and sensible tips to guard against street crimes, residential burglaries, and criminal fraud.

Many of the crime prevention techniques employed by the program—including neighborhood watches, security checks, the installation of security devices, escort services, and many others—can easily be replicated in practically every community throughout our Nation.

In addition, the associations stress the importance of education in preventing crime. One example is a brief pamphlet describing common sense precautionary rules to avoid victimization by con artists.

Mr. Speaker, I submit the NRTA-AARP publication on "How to Spot a Con Artist" to be printed in the RECORD, along with the associations' legislative and administrative recommendations to reduce criminal victimization among the elderly.

The material follows:

## PREVENTING CRIME THROUGH EDUCATION— HOW TO SPOT A CON ARTIST THE CON ARTIST

What does a con artist look like?

If you can identify him by his looks, you can be sure he's not very successful in his trade. To avoid being victimized, study what he says and does, not what he looks like.

Know first that successful con artists are experts in human psychology and behavior. Anyone, no matter how educated or knowledgeable, can be swindled.

And remember that some con games may break your bank, but not the law. A smooth door-to-door salesman sold a man a set of

encyclopedias for \$450. But the books were 35 years old. The man got exactly what the salesman promised—in the sales contract. The buyer simply did not read the contract.

No law is broken when a land speculator pays \$700 an acre for "sunny lots" in the Southwest and sells them through ads in Eastern newspapers for \$5,000 per acre. A piece of land is worth exactly what you can get someone else to pay for it.

#### THE KEY WORDS

While you cannot identify a con artist by his looks, you can often spot him by his words. Here are some key words that should trigger your suspicions:

**Cash:** Whenever you are asked to turn over sizable amounts of cash, be cautious. Why is cash necessary? Why not a check? Consult with others before making your own decision. Avoid large cash transfers.

**Secret plans:** Be cautious of being drawn into secret deals wherein you are asked to surrender anything of value. Why are you being asked not to tell anyone?

**Get rich quick:** Any scheme that promises you rich rewards should be carefully investigated.

**Something for nothing:** A "retired" swindler once said that any time you are promised something for nothing, you usually get nothing.

**Contests:** Be sure they are not just a "come-on" where everyone "wins" something—usually being drawn into some money-losing scheme.

**Home improvements:** The very best investment you can make is to spend a little time investigating the reputation of the people with whom you are dealing. They should be reputable and have satisfied customers. It is often advisable to get estimates from several different firms so that you can compare home improvement costs. Be cautious of door-to-door solicitors and itinerant contractors.

**Contracts:** It is unfortunate, but homes have been lost as a result of signing a mere TV repair contract. Signing a contract is not a frivolous matter. The contract may be secured by a deed of trust on your house. It may include a provision that failure to pay on time will permit a judgment to be entered against you.

**Haste:** Be wary of any pressure that you must act immediately or lose out. There is no better insurance than dealing with reputable, well-recommended businesses or persons.

#### SOME RULES

Some good rules for self-protection from confidence men:

1. Do not discuss your personal finances with strangers.
2. Do not expect to get something for nothing, especially from strangers.
3. Do not draw cash out of a bank at the suggestion of a stranger.
4. Do not be too embarrassed to report the fact that you have been victimized or swindled.
5. Do testify in court, if asked, to help stop this kind of crime.

#### THE CON GAME

Many people are concerned about what they call the "new swindles." But as one police chief notes: "We really shouldn't be too concerned about the new swindles because all of the old ones are working so well."

The old "salting the gold mine" scheme is still being practiced, for example. But what is being "salted" today are not abandoned mines, but people's living rooms.

In the old ruse, you may remember, unscrupulous mine owners would place a few gold nuggets in exhausted mines so they

could sell them for inflated profits. Recently in a Northern city, a con artist bought six color television sets at the regular price from a retail store. He then sold them, still in their cartons, to six prominent local persons for one-fifth of the price. Later he hired several high school students to work as telephone solicitors to sell "carloads of TV sets purchased new from a bankrupt retail chain."

When potential customers balked, the con artist used as references the original six customers who had been "salted." Before the police were alerted, he collected almost \$60,000.

The old "Bank Examiner" scheme is still around and working well, particularly among older widows. The con artist poses as a bank examiner and asks the victim to help him test the honesty of bank employees by withdrawing substantial funds. When the funds are handed over to the con artist for "examination," he issues the victim an official-looking but worthless "receipt" and disappears.

Postal authorities warn citizens to be alert for mail-order swindles such as phony work-at-home schemes which require cash deposits or payments. Among all arenas for swindle activity, these are probably the most active—and productive for the con artist.

#### CRIME

The elderly tend to have greater fear of crime and are more vulnerable to certain types of crime than other population groups. Lack of mobility and living alone and/or in older, less secure housing exacerbates their fears and vulnerability. Steps must be taken to alleviate these fears and reduce the criminal victimization of the elderly.

First, the federal government ought to encourage state and local agencies to compile detailed and uniform crime statistics, including such information as victim age, so that those crimes with respect to which the elderly are disproportionate victims will be clearly and accurately identified. Second, federal funds ought to be targeted to a greater degree on prevention of crimes against persons and property, especially stranger-to-stranger violence. Third, more government sponsorship of crime prevention programs is needed to increase citizen interest and participation in community efforts to reduce crime. Fourth, more public information and media programs are needed to educate persons, especially older persons, about simple crime prevention techniques. Fifth, to reduce the level of economic crimes like criminal fraud, educational programs based on research data ought to be developed to demonstrate how the elderly are victimized and suggest means for self protection against fraudulent and deceptive practices. Sixth, the Law Enforcement Assistance Administration (LEAA) ought to continue, through its Community Anti-Crime Program its strong support of projects aimed at reducing crime against the elderly. Seventh, the Federal government should take steps to control the availability of handguns because of their frequent use in the commission of violent crime. Eighth, the federal government should provide financial assistance to encourage states to provide adequate indemnification to victims of crime and establish prosecution programs aimed at career criminals or repeat offenders.

As a final matter, a new federal criminal code should be enacted to eliminate inconsistencies in present law and strengthen the criminal justice system. One such way would be to require mandatory prison sentences, with no suspension or probation, for

conviction of a felony in which any deadly weapon is employed, or of murder or attempted murder by means of strangulation or suffocation.●

#### CULTS AND THEIR SLAVES

#### HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. OTTINGER. Mr. Speaker, on June 2, 1980, the New York State legislature passed a bill which would address the frightening problem of coercive and deceptive recruiting of young people into various cult organizations, which has become an event of alarming frequency in our society.

The bill takes the approach of authorizing a judge to appoint a temporary conservator with power to supervise a person who has been recruited and held by a cult by coercive and deceptive practices for a short period of time so that the court can determine whether the individual's participation in the organization is truly voluntary.

Hearings by an ad hoc committee on the activities of cults in which I participated earlier this year revealed evidence of shocking illegal activities by these organizations. Among these allegations was deceptive recruitment; mental coercion comparable to the brainwashing of prisoners by the Germans in World War II including round-the-clock indoctrination without food or sleep, accompaniment of recruits 24-hours per day by members of the cult, restraint of recruits from contact with the outside world, false representations of the cult's activities and purposes and other coercive practices; illegal immigration practices; illegal representation of foreign governments; illegal financial activities and avoidance of cases on false claims of religious exemption; and other illegal activities.

To date, investigation of these allegations of illegal activities, to say nothing of prosecution, has been blocked by assertion of first amendment protection. Indeed, the New York State conservator bill was vetoed by Governor Carey on first amendment grounds. Yet it is clear to me that the activities of these cults claimed to be illegal are growing rapidly, imposing a serious threat to the civil liberties of the citizens who are subject to the alleged illegal recruitment and retention methods of the cults and an imposition on the taxpayers who have to make up the revenues avoided by the cult organizations. Illegal activities simply must not be permitted to be protected under the cloak of the first amendment.

The New York Legislature's conservator approach is one that deserves our serious consideration nationally. While the definitions in the bill may raise severe constitutional problems, a way must be devised to extract people subject to such coercion and put them



under court supervision so that the effects of coercion can be nullified where such techniques have been practiced. Prosecution of illegal activities must be facilitated. In the days ahead, I will try to devise constitutional legislation along these lines. I have also sought hearings from the Judiciary Committee on illegal mental coercion of cult members and illegal immigration practices, and on the Internal Revenue Service's failure to address the tax exemption problems raised by the cults, so far without avail. I would welcome the help and suggestions of my colleagues.

The agony of the parents of children who have been captured by the cults and influenced with coercive means to withdraw from society has been overwhelming. In trying to talk to their children and give them a period away from the cults and their coercion, they find themselves and their children the ones attacked by the legal authorities rather than the cults. Attempting to see their children, they find themselves subject to prosecution for trespassing on cult property. If they try to get their children to withdraw, they may be sued for kidnapping or harassed by cult members in their communities.

I recently met with Gloria and James Weil of New Rochelle, N.Y., and heard their incredible tale of woe in trying to just get to see their child who had been "recruited" by the Unification Church. They finally succeeded in visiting him and persuading him to leave, but the coercion to which they and their son were subjected was simply unconscionable. Their kind of experience simply demands redress.

I submit for inclusion in the CONGRESSIONAL RECORD a letter from the Weils on the New York conservator law and the importance of enacting this kind of protection. I commend it to the attention of my colleagues.

#### CULTS AND THEIR SLAVES

##### To the Editor:

The Rev. Andy Smith's concern for the protection of religious freedom under the First Amendment (letter June 20) is shared by all who cherish the individual's right to believe whatever he wishes. But the Conservatorship Bill, which Mr. Smith envisions as an attack on this right, is explicitly directed against groups that practice deception in the recruitment of new members. This practice, not a group's unconventional religious beliefs, is the basis for the bill's distinction from mainline religions.

Loss of a child to cult membership has brought sudden awareness to families across the nation of the lengths to which some of these groups go to conceal their identity and objectives from new recruits. We are the parents of a former cult member. We saw the effect of only two weeks of indoctrination on our son's ability to make a free choice.

The religious conversion of two remarkable and mature adults, St. Paul and Martin Luther, cannot be compared to the "conversion" of thousands of vulnerable young people whose values and judgments are not fully formed and who are subjected to sophisticated modern techniques of mind control for the express purpose of promoting a sudden conversion.

Until legislators address themselves to the control of deceptive and illegal practices by groups that claim protection under the constitutional guarantee of religious freedom, the Conservatorship Bill is the only legal method available to parents who try to rescue their children from slavery to a cause they have never had a chance to choose.

GLORIA and JAMES WEIL,  
New Rochelle, N.Y., June 22, 1980.♦

#### WELCOME TO OUR NEWLY NATURALIZED AMERICANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

♦ Mr. GILMAN. Mr. Speaker, it is with sincere pleasure that I congratulate the 144 Rockland County residents of New York's 26th Congressional District who have recently chosen to become citizens of the United States, with all of the privileges, freedoms, and responsibilities that American citizenship entails.

Our Hudson Valley region in New York State is proud of its newest citizens and I invite my colleagues to join me in welcoming these newly naturalized Americans and extending to them our best wishes for a happy and prosperous life in their new homeland:

Samia Hanna Abadir, Samuel Alexander Afflick, Mavis Adassa Afflick, Kevork Krikor Aghshikian, Gloria Alday Agoncillo, Olga Rose Alphonse, Mariana Amadis, Aurea Zotomayor Ambrosio, Suk Hui Babcock, Eliseo Marcos Baquisal, Jonna Baron, Thelma Rose Barrett, Yaler Benjamin, Gurcharan Singh Bhalla, Rabindra Nath Bhat-tacharya, Joyce Theresa Blackwood.

John Bongiovanni, Magda Bourguignon, Jean Claude Boutin, Veronica Brown, Jeanine Bruno, Maria Altagracia Bueno, Jacques Jean Max Canal, Pasqua, Caraccia, Jean Juliet Carmand, Zollo Laurente Castro, Lissamma Chacko, Krishan Chand, Tai-Ping Chiang, Alice Wong Chow, Maria Ciropol, Kattlynn Civil.

Corazon Albacite Cole, Solmene Compas, Bridget Anne Coullon, Amita Jayantilal Desai, Mary Bridget Drew, Andree Dubreuil, Evelyn Edugene, Pierre Antoine Edugene, Michel Robert Estime, Carlismene Estime, Trinidad Mendoza Fernando, Yolnensen Fisher, Joseph Jean Fleurimond, Isabella Dela Cruz Francisco, Mario Dela Cruz Francisco, Paul Geler Gaspard.

Yichak Dov Gluck, Jagadish Chandra Goswami, Solomon Aaron Gubbay, Gool-charan Harnanan, Lolita Harnanan, Francisco Antonio Henriquez, Rafael Alcibiades Henriquez, Aurora Henriques, Hersch David Hort, Jean Gray Houtz, Monica Humphrey, Tehmina Manekshah Irani, Apance Jean-Charles, Jacques Joseph, Aleyamma Kurian, Sue Ling Kwong, Stefan Lakatos, Tore Lindland, Maxserge Lubin.

Michael Christopher Madden, Antonio Maida, Wing Yeung Mak, Mary Mattappillil Mani, Joseph Henry Marin, Iris Margarita Martinez, Ghulam Masih, Gulzar Masih, Rosetta Otensia McKenzie, Philip Melenka, Aleyamma Menon, Norberte Puteaux Mithopoulos, Benjamin Mizrachy, Maria Cristina Moreno, Thomas Brendan Mulcahy, Curlyn Gloria Murdock.

Padmavathy Nair, Mario Napolitano, Marie Andree Noel, Oswald Nathaniel Oates, Sheila Delceita Oates, Sun Sook Oh,

Rosa Herminia Ortega, Jesus Patricio Osorio, Marie Jose Paillant, Padma Surendra Panchal, Florante Alcarion Pangilinan, Keith Anthony Parke, Jose Pulmonones Pineda, Vihayendranath Prasannakumar Pradhan, Vaibhavi Vijayendranath Pradhan, Frantz Regis.

Victor Antonio Reynoso, Letitia Leanora Robinson, Eligio Antonio Rodriguez, Lucia Altagracia Rodriguez, Maria Dolores Romero, Juana Maria Romero, Shashi Bhushan Roy, Arron Rumpier, Eddy Emmanuel Saint-Cloud, Rosemary Altagracia Salce, Ysbinia Del Valle Di Salvo, Uri Sasson, Carmelo Scaffidi, Irma Senat, Jayantilal Manil Shah, Deda Shkreli.

Annunziata Siena, Lucia Siena, Flora Spitzer, Vincenzo Surace, Marie Josette Paul Sylvain, Donovan Raymond Tai, Tsuey Tam, Allan Augustus Thompson, Teofilo Manalo Tolentino, Gregory Orlando Townsend, Judah Tsur, Malka Tsur, Hector Fernando Vargas, Edilio Aurelio Veras, Isabel Veras, Irene Voloshin, Oleg Voloshin, Clara Wagschal.

Celia Walsh, Nancy Wellenman, Arje Weiss, Gilda De La Caridad Yannuzzi, Carolina Peluso Zaccardo, Yolanda Guzman Zaldivar, Triantafilia Ziotis.♦

#### KANSANS SUPPORT HOUSE CONCURRENT RESOLUTION 344

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

♦ Mr. WINN. Mr. Speaker, as the Members of this body know, I introduced the first concurrent resolution on the House side in opposition to the proposed withholding tax on interest and dividend incomes. The response I have received from my colleagues as well as my constituents in support of House Concurrent Resolution 344 has been great. I am very pleased to share the following petition signed by several of my constituents from Olathe, Kans.:

We, the undersigned residents of the Third Congressional District of Kansas, do hereby express our support for and urge the passage of H. Con. Res. 344, introduced by Congressman Larry Winn, which states "that Congress stands in opposition to the imposition of a 15 per centum withholding tax, or any withholding tax, on interest-bearing bank accounts and on the receipts from dividends."

Dorothy Shriver, 406 N. Loula.  
Edna L. Schermerhorn, 831 Windsor Road.

Faye C. White, 831 Windsor Road.  
Gertrude S. Kisinger, 452 E. Loula.  
Gladys Rowland, 628 Honeysuckle Drive.  
Laura E. Buckles, 409 W. Loula.  
Mary J. White, 460 S. Cherry.  
Betty E. Hames, 608 Honeysuckle.  
Helen L. Garlach, 1109 N. Curtis Drive.  
Phyllis J. Iles, 601 Drury Lane.  
Susan Tressin, 525 S. Harrison.  
LaVonne K. Talbott, 16308 141st Terrace.  
Patricia A. Dylmann, 408 Chambery.  
Kathryn Allega, 1417 Oxford Place.  
Eileen W. Bing, 1416 Oxford Place.  
Helen L. James, 604 Honeysuckle Drive.  
Kenneth M. James, 604 Honeysuckle Drive.

Ruth E. Jones, 600 Honeysuckle Drive.  
J. F. Jones, 600 Honeysuckle Drive.  
Warren Settles, 612 Honeysuckle Drive.  
Eunice Settles, 612 Honeysuckle Drive.♦

**RAYMOND RICHARD AWARDED  
RED CROSS CERTIFICATE OF  
MERIT**

**HON. NICHOLAS MAVROULES**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. MAVROULES. Mr. Speaker, I take this opportunity to call your attention to an exceptional demonstration of human courage and strength in the face of a stressful situation. The following meritorious act by a constituent of mine exemplifies the highest ideals of concern of one human being for another who is in distress.

On February 21, 1980, Mr. Raymond Richard of Peabody, Mass., trained in Red Cross cardiopulmonary resuscitation (CPR), was vacationing in Fort Lauderdale, Fla., when he heard screams coming from the direction of the ocean. Seeing that some swimmers were in distress, Mr. Richard ran to their aid. He helped pull a victim to safety, and after it was determined that the victim was not breathing, he began mouth-to-mouth resuscitation. He continued his efforts until the victim began to respond. Without doubt, the rescue and use of first aid by Raymond Richard saved the victim's life.

As a result of this successful attempt at saving the victim, Mr. Richard has been named to receive the Red Cross Certificate of Merit and accompanying pin, the highest award given by the American Red Cross to a person who saves or sustains a life by using skills and knowledge learned in a Red Cross volunteer training program in first aid, small craft, or water safety. I am extremely proud and honored to represent Mr. Richard, and would like to take this opportunity to praise the Red Cross and other emergency training programs that have properly equipped Raymond Richard and others like him so that they are able to come to the aid of the unfortunate. ●

**GASOLINE RATIONING PLAN**

**HON. BARBARA A. MIKULSKI**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Ms. MIKULSKI. Mr. Speaker, recently in the RECORD I discussed why the standby gasoline rationing plan is inequitable. Today, I want to discuss why the proposed plan is impractical.

The House will have an opportunity to vote down this plan. A motion will be made to discharge the House Interstate and Foreign Commerce Committee from further consideration of House Joint Resolution 575, a resolution which would disapprove the proposed standby gasoline rationing plan. If the motion is approved, the full House will then have an opportunity

to disapprove the plan. This will be our only opportunity to express our disapproval of a plan which I consider to be unfair and unworkable.

I am not alone in my opposition to the plan. The chairman of the American Bankers Association's gas rationing task force, Mr. J. C. Welman, Jr., called this plan:

One of the worst yet developed by the Energy Department, and one which comes close to being impossible to implement.

And this is from the key institution in our society which the Department of Energy is depending upon as its distribution source for gas ration coupons. Mr. Welman added that:

Even if every bank were to participate, we are not at all certain that the full implementation of the present plan in a time of severe supply shortages would provide any less economic disruption, social chaos and personal dislocation for the motoring public than no plan at all.

The attached statement from the American Bankers Association points out in detail why the association can say that their opposition is based on the unmitigated chaos that would result from the plan's implementation.

I urge my colleagues to vote for the motion to discharge and then to vote in favor of House Joint Resolution 575.

**STATEMENT OF THE AMERICAN BANKERS  
ASSOCIATION**

As you are aware, the Standby Gasoline Rationing Plan presently pending before Congress will become final if not disapproved by joint resolution of both Houses of Congress by July 30. The American Bankers Association is strongly opposed to this version of the gas rationing plan and we urge you to support H.J. Res. 575 to disapprove the plan, which, we understand, will be offered first in the Interstate and Foreign Commerce Committee and then on the floor of the House of Representatives before July 30. We strongly urge that you actively oppose the plan, that you contact your colleagues to urge their disapproval, and that you consider cosponsoring the Resolution of Disapproval.

For the last seven years, the American Bankers Association has consistently supported various versions of gas rationing plans developed by the Department of Energy. Last year, we supported the plan submitted to Congress and stated that, with minor modifications, the plan could be made workable in the event of a serious gasoline shortage. Unfortunately, the present plan is the worst ever proposed to Congress by the Department of Energy. It cannot be made workable without major amendments. It is our view that the present plan is actually worse than no plan at all.

In brief, the problems we see with the rationing plan are three. First, because the plan would rely almost entirely on commercial banks to distribute gas ration coupons, there would be lines at banks added to lines at service stations in a gas crisis. Commercial banks would have to hire approximately 150,000 additional tellers just to give out gas rationing coupons, and there is insufficient lobby space in banks today for either the tellers or the customer lines. These customer line problems would impact most adversely in unit banking states where there are fewer banking offices per members of the driving public than in branch banking states.

Second, the proposal would allow any individual or firm to establish a "ration rights checking account" into which they could deposit gas ration coupons and on which they could draw "ration rights checks" denominated in gallons of gasoline. The major problem with these accounts is logistical. There are only about 100 million total checking accounts in the country today and this proposal could add as many as 170 million more. The burden of these new accounts could literally swamp the nation's payments processing system.

Our third concern is with the legal status of the gas rationing program. Under the Uniform Commercial Code, "checks" cannot be denominated in gallons of gasoline. In fact, the Department of Energy's proposed "ration rights checking accounts," "Treasury ration checks" (checks sent by Treasury entitling recipients to exchange them for gas ration coupons), and "redemption accounts" (checking accounts into which service station operators would deposit used gas ration coupons and on which they would draw checks denominated in gallons to replenish their gasoline supplies) have no legal status whatsoever.

Our Association wishes to emphasize that, over the years we have continually supported past versions of the gas rationing plan. This is the first plan we have opposed, and our opposition is wholly based on the unmitigated chaos that would result from the plan's implementation. We strongly urge you to support the Resolution for Disapproval of the plan. ●

**CUTTING TAXES TO FIGHT RE-  
CESSION: CAPITAL COST RE-  
COVERY**

**HON. STEWART B. MCKINNEY**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. MCKINNEY. Mr. Speaker, as a longstanding advocate of modernized, competitive depreciation rules for U.S. industry, I was pleased that the House Committee on Ways and Means convened hearings recently to discuss the general dimensions of a tax cut bill. My testimony before the committee calls for a tax reduction proposal to be drafted and enacted this year, before the recession drives more people out of work. We simply cannot afford to wait until the political dust settles to take already long-overdue steps to regenerate and revitalize basic industries. For the benefit of my colleagues, more than 300 of whom are cosponsors of the Capital Cost Recovery Act (H.R. 4646), I insert that testimony in the RECORD.

The testimony follows:

**STATEMENT OF HON. STEWART B. MCKINNEY**

Mr. Chairman, given the unsteady state of the U.S. economy today, it is certainly timely, perhaps vital, to discuss the size, scope and effect of tax reduction measures. I applaud your courage in calling these hearings and I appreciate the opportunity to present my views. My sole purpose today is to express my hope that you will formulate a tax reduction proposal for enactment before the 96th Congress adjourns, thereby setting in motion a real economic recovery.

For me, this opportunity to testify before the Committee is like celebrating Christmas in July, for it was last December 4 that I



first moved to discharge this Committee from its prolonged consideration of the Capital Cost Recovery Act (H.R. 4646). As I said to you at that time, Mr. Chairman, I did so not out of any disrespect for you or the hardworking members of this Committee. Rather, I felt it necessary to make that extraordinary motion in order to emphasize the fact that Congress's approval of the Chrysler loan guarantee legislation, while justified, merely treated a symptom while our economic disease remained unchecked. Today that malady has reached epidemic proportions with a dangerous lack of investment capital crippling our ability to fight inflation, stifling productivity increases, retarding job creation and further eroding our ability to compete in world markets.

In addition, my motion was prompted by a sense of urgency based in a strong belief that effective, anti-inflationary tax relief could be crafted this year—if begun before political obstacles became insurmountable. Obviously, that sense of urgency is not yet shared by the 218 Members needed to approve the petition. As a result, we must confront today what I feared in December: both the need for tax relief and a political climate perhaps too charged to permit it. Nevertheless, it is my hope that this Committee will leave the political analysis to the pollsters, pundits and Cabinet Secretaries while taking those bold actions dictated by sound economic policy.

As the Ranking Member of the Banking Committee's Economic Stabilization Subcommittee, I have had a closer look at the increasing destabilization of the U.S. economy than I ever wanted. From Lockheed to Chrysler, with hidden subsidies for almost every major steel maker in between, we have witnessed a tragic parade of anemic industrial giants lose their domestic and international competitive position. In addition, a steady slide in productivity increases has yielded to real productivity losses. These potentially disastrous trends are not new, nor are they susceptible to quick, one-shot solutions. Our current economic dilemma is the inevitable product of resting on our past investments while the world modernized beyond us. You need only read the growing industrial employers leaving Connecticut's 4th District to demonstrate the need for the productive renewal a depreciation tax cut could foster.

The road to renewed economic vitality must be traveled step-by-step, and the longer we wait to take that first step, the more difficult it will be, the more unsure its eventual success. We simply cannot await the perfect political moment to start a journey that should have begun months, perhaps years ago. Responsible economic planning demands that we make available the financial resources necessary to produce our way out of this recession. As the respected Ranking Member of this panel asserted yesterday, it must be assumed that Capital Cost Recovery will be an essential part of that plan.

Let me try to exorcize the political demons that have been summoned in an attempt to dissuade you from any immediate action. The call for "productivity oriented tax cuts" (to borrow the Administration's own phrase) was first heard by this Congress on June 27, 1979 when our colleagues, Reps. Jones (D-OK) and Conable (R-NY), again introduced the Capital Cost Recovery Act. Since then more than three hundred House Members have cosponsored that bill and ninety-three have signed my petition to bring the proposal to the House floor. In addition, the 1980 report of the Joint Economic Committee recommends that "... one half of ... (any) ... tax reduction should be designed to provide greater incen-

tives for capital investment. This should be accomplished primarily by increasing allowances for business depreciation." (p.77) These are both strong, bi-partisan expressions of support for a tax reduction which will increase the supply of investment capital and jobs. I wholeheartedly agree with the Chairman's statement yesterday that we do not need a political tax cut. However, a deepening recession and strong bipartisan consensus argue strongly for a tax cut this year just to keep taxpayers afloat in the turbulent sea of inflation and new taxes. To refuse to do so just because this happens to be an election year would be to place our political problems over the real economic peril of millions.

Yesterday's testimony by Treasury Secretary Miller stands in sharp contrast to this longstanding, bi-partisan consensus. I was deeply troubled by his defense of the Administration's opposition to a tax cut bill "prior to the national election." Of what economic significance is November 4? No new jobs will be created, although a few may change hands on that date.

I plan to send Secretary Miller an ad carried in yesterday's Washington Post expressing the consensus of the participants at a recent conference sponsored by the Senate Subcommittee on International Trade, the New York Stock Exchange and Harvard University. Their answer to the question, "Can the United States remain competitive?" was embodied in eight statements, one of which called for tax changes to encourage investment, savings, job creation and innovation. They specifically recommended accelerated depreciation. That ad was signed by a long list of corporate officers as well as Senators and Representatives of both parties. The most prominent signature was that of Connecticut's senior Senator, Abraham Ribicoff.

In reading this ad thoroughly, you will see no mention of November 4. There is no call to wait for the recession to bottom out before taking economic stimulus measures. In fact, the ad concludes, "Let's Not Wait. A Strong Domestic Economy Is Essential to Provide Productive Jobs for All Americans, To Provide Necessary Social Programs, To Enhance our National Security and America's Position in World Affairs." As has been the case so often in the past, I am compelled to agree with my distinguished colleague from Connecticut. I hope you agree as well.

Mr. Chairman, I will not take your time matching my generalist's knowledge against the panels of experts who will analyze and quantify the beneficial impacts of a ten-five-three proposal. As a former small businessman, I can only remind you of an old axiom that our friends in the Treasury Department seem to have forgotten in their relentless zeal to protect federal revenues: You have to spend money to make money.

I make no claim that any tax cut will be self-financing. I only ask you to join me in the belief that we have not reached the limits of growth in this economy. We can and must unshackle those productive forces which are the source of all jobs and most government revenue.

In conclusion, Mr. Chairman, my recommendations are as follows: Ask the experts to calculate the price of waiting until next year to enact needed tax relief. In measuring the cost in financial and human terms, I hope your work will produce a remedy that will be a timely cure for the disease. Second, look to the Steiger capital gains proposal, which this Committee wisely adopted despite expert advice to the contrary, as an example of a tax reduction with longstanding benefits not seen until almost twelve months after enactment. Yet those benefits today are certain and continuing. I implore

you to take the bold, decisive, even risky actions demanded by our economic plight. Expert advice can be useful, but I am reminded of the sage observation made by George Bernard Shaw when he said, "If all the economists were laid end to end, they would not reach a conclusion." But you must reach a conclusion and I hope it is one which recognizes the need for immediate tax relief for the productive sector of the economy, specifically in the form of depreciation reforms. Thank you.●

#### IN HONOR OF PIONEER DAYS

#### HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. SYMMS. Mr. Speaker, today, July 24, 1980, much of the West officially celebrates Pioneer Days. On this day, 133 years ago, a small band of determined Mormon pioneers entered the valley of the Great Salt Lake. Those hearty pioneers were followed by thousands more who sought a better way of life.

The great colonizer, Brigham Young, the Mormon leader and prophet, oversaw this great influx of people into the region. From his headquarters in Salt Lake City, Brigham Young called upon his people to settle the vast and often dangerous lands of the Rocky Mountains and Great Basin. Mormon settlements stretched from San Bernadino, Calif., to northern Mexico to Colorado to southern Canada.

And so, on this day, I am honored to recognize the great accomplishments of those Mormon pioneers. These industrious pioneers and their descendants made and continue to make invaluable contributions to our American way of life. I praise their achievements and laud their dedication to the traditional American values of morality and family life and to the principles held by the Founding Fathers of this great Nation.●

#### THE AGRICULTURAL SECTOR IN EGYPT

#### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1980

● Mr. HAMILTON. Mr. Speaker, one of the most pressing problems confronting Egypt is the need to improve the performance of its agricultural sector. A considerable portion of the U.S. huge economic aid program in that country is devoted to helping this sector.

I would like to bring to my colleagues' attention recent correspondence I had with the Agency for International Development (AID) regarding our work in agriculture in Egypt. An article entitled "Egypt's Agriculture in Trouble" by Alan Richards which appeared in the January 1980 issue of Middle East Research and Informa-

tion Project gave a pessimistic view of Egypt's current efforts to strengthen this sector and prompted my letter.

Attached are my correspondence with AID and two excerpts from Mr. Richards' article:

JUNE 4, 1980.

Mr. DOUGLAS J. BENNET, JR.,  
Administrator, Agency for International Development, Washington, D.C.

DEAR MR. BENNET: Attached is an article from the January 1980 issue of Middle East Research and Information Project concerning the agricultural sector in Egypt. While I know nothing about the background of this journal or the author of the article, I find the conclusions disturbing.

I would like the Agency for International Development to comment on the conclusions of the article and especially on the observations toward the end of the article about President Sadat's agricultural policies. I would also like to know what specific policies and programs we have initiated and implemented to address the problems of the agricultural sector and how our PL 480 policies and Egyptian pricing policies in that country are impacting on the further development of the Egyptian agricultural sector. I appreciate your consideration of this article and look forward to hearing from AID.

With best regards,

Sincerely yours,

LEE H. HAMILTON,  
Chairman, Subcommittee on Europe  
and the Middle East.  
Attachment.

AGENCY FOR  
INTERNATIONAL DEVELOPMENT,  
Washington, D.C., June 27, 1980.

Hon. LEE HAMILTON,  
Chairman, Subcommittee on Europe and  
the Middle East, Committee on Foreign  
Affairs, House of Representatives, Wash-  
ington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of June 4, 1980, soliciting our views on the Egyptian agriculture sector and Mr. Alan Richards' recent article in "Middle East Research and Information System." Rather than trying to comment point by point on the article, we would prefer to present our own view of Egyptian agriculture and its problems, as well as our judgment on the broad conclusions Mr. Richards reaches at the very end of his paper.

We share Mr. Richards' view that there is underinvestment in agriculture. Priority needs for major investments are drainage; rehabilitation, reconstruction; and redesign of the existing irrigation system; production and supply of seeds, fertilizer and other inputs. Smaller but no less important investments are needed in research, extension and education and in improving the marketing system.

However, this investment program will not yield the production increases Egypt could obtain until the government establishes a more effective price policy framework for its farmers. Egypt simply does not pay its farmers enough to encourage them to produce at the higher levels that are possible. An Egyptian corn, wheat or rice farmer gets little over half of what the American farmer receives. Evading crop quotas, selling or applying controlled inputs to free market crops are common. These actions reflect the farmer's effort to act rationally within a system of selective price controls. The production of fruits, vegetables and livestock, which Mr. Richards notes, accelerated precisely because prices of these products are not controlled and they are in demand by consumers. Ideal planting times for certain quota or price

controlled crops in the rotation system are compromised in the interest of free market crops. All farmers, big and small, try to operate in the margins that the system allows.

Egyptian officials are naturally sensitive to any suggestion that outsiders advise them on price policy issues which go to the heart of the economic, social and political benefits of the existing farming system. Nevertheless, they have expressed an interest in more systematic analytical work, which could sharpen their understanding of the issues. The attached report prepared by Multinational Agribusiness Systems Incorporated (MASI) for our Mission and the Minister of Agriculture is generally consistent with our view of Egyptian agriculture. It does identify a number of the policy issues that need to be addressed in future research. In addition we are developing a new agriculture policy project to strengthen Ministry of Agriculture work in this area. We also expect University of California and Ministry of Agriculture contributions under the agriculture economics component of the existing Agriculture Development Systems project.

Until better relative price/crop relationships are established we will continue to see growth in free market products, with declines in production in undervalued regulated crops. From time to time as prices are increased for one or another regulated crop one is struck by the size and rapidity of farmer response.

The ideal cropping system is something yet to be worked out. There is opportunity for Egypt to export more fruits and vegetables, but recent analysis shows that the opportunity in Europe and the Gulf States is probably not as large as some believe, and not much of even the possible can be realized until substantial improvements in Egyptian marketing occurs. The same can be said for the much discussed market for cut flowers.

As one thinks about the future of Egyptian agriculture in a more rational policy framework, the relationship of cropping patterns including berseem production, mechanization, rural labor supply, and the number of work animals is the most complicated question in Egyptian agriculture to be worked out. It is precisely the kind of issue that needs research to develop the trade-offs. At present there is far too much speculation about important relationships.

For example, the government is committed to mechanization and our own project was designed to help the government maintain the investment already made, as well as make better choices in the future. We are interested in appropriate mechanization rather than subsidized mechanization.

As far as rural labor supply is concerned, and its relationship to mechanization one now gets very different views on the facts. We do know that real rural wages are rising rapidly.

Certainly the domestic investment boom as well as job opportunities in the Organization of Petroleum Exporting Countries (OPEC) countries are significant factors raising the demand for labor. Not much unskilled rural labor competes in the same job market as university graduates who benefit from the government's full employment policy and this would not be a major factor in rural wage rate determination as Mr. Richards suggests. The authors of the MASI report are not persuaded that the rural labor market is tight, but recommend research to develop the facts. (Clearly the price a farmer gets for a product and what he can afford to pay labor are related. Higher product prices should increase the demand for labor. Higher wages should increase the supply of labor.)

As far as Mr. Richards' conclusions are concerned we believe that: (1) It is more useful to view agricultural trends as reflecting the economic policy framework in existence in Egypt rather than as contradictions of state capitalist development. (2) Both large and small farmers seem to benefit from the free market opportunities in fruits, vegetables, meat and milk, that these products are produced in response to market demand, including middle class and foreign tourist consumption; and that not much is added analytically by describing this trend as an acceleration of capitalist development in agriculture. However, we would not challenge his view that the larger farmers benefit most. (3) We agree that rural labor's position seems to be stronger. (4) Finally, as Mr. Richards did not in his article discuss the economic conjuncture which he believes will bring further class conflict and all of our efforts to a dreadful conclusion, we will pass that point without comment.

Sincerely,

DOUGLAS L. BENNET, JR.

Attachment: As stated.

#### EGYPT'S AGRICULTURE IN TROUBLE (By Alan Richards)

The horrendous state of the Egyptian economy is a principal factor underlying Sadat's willingness to address the Knesset in Jerusalem and to make major concessions at Camp David and since. Multiplying shortages, deteriorating infrastructures, and spiralling foreign debts comprise the economic news on Egypt. A central component of this domestic impasse is an acute agricultural crisis; for if agriculture flags, Egypt falls. Agriculture accounts for some 45-47 percent of total employment, for some 30 percent of Gross Domestic Product, and for more than 50 percent of exports. Further, more than 50 percent of Egypt's industry consists of agriculturally-based sectors such as textile and food processing. Services, transportation, commerce, and government activity are all intimately linked with agriculture—and Egyptian agriculture is in serious trouble. In 1974 Egypt became a net importer of agricultural commodities for the first time in its history. Labor productivity has stagnated. The rate of growth of land yields for cereal crops, cotton, and sugar cane has slowed or even declined in the 1970s. Food imports have soared from 1,305,700 metric tons of wheat and maize in 1970 to 3,376,900 metric tons in 1976, while exports of rice and cotton have declined from 654,500 and 285,300 metric tons, respectively, in 1970, to 211,000 and 165,200, respectively, in 1976.

The origins of the current crisis can be traced back to policy choices and political decisions made during the Nasser regime, and to the legacy of Egypt's agrarian development as a cotton exporter to the West since the 1820s. The course, pace and contradictions of historical capitalist development in Egypt were the product of the partial transformation of the relations of production by the integration of the country into the capitalist world market. Although the Egyptian countryside has long displayed strongly capitalist features, the pre-Nasser rural social formation was "disarticulated." A highly capitalistic labor process in agriculture was combined with considerable auto-consumption and, therefore, a weak domestic market. Largely because of the political contradictions engendered by the crisis of British imperialism in the region, a state of capitalist landlords. But the class structure, especially the strength of rural capitalists, the unequal distribution of resources, the social basis of the regime, and its weakness relative to the developed cap-



italist countries, frustrated a transition either to fully capitalist relations or to full-scale socialism. The regime was willing neither to mobilize the peasantry nor to provide decentralized incentives for farmers. The current problems in rural Egypt can be interpreted as the fruits of the contradictions of state capitalist agriculture. A brief sketch of Egypt's rural history before 1952 will help to place the analysis of the past twenty-five years in perspective.

#### THE SADAT YEARS: TOWARD A FULLY CAPITALIST AGRICULTURE?

The seeds of agricultural crisis were planted during the Nasser years; they have matured in the climate of the Sadat era. The responses so far taken are contradictory. The social complex of selective price controls, rich peasant dominance of cooperatives, corrupt quantitative allocation of inputs, and evasion of crop quotas has continued unabated. Agriculture's share in total investment has fallen from 25 percent in the mid-1960s to 7 percent in 1975, with little change since then. Yet, at the same time, farmers have expanded fruit, vegetable, and livestock production, and mechanization has accelerated since 1973. Rural labor appears to be in a relatively stronger position than ever before, but such a situation seems unlikely to persist. It is clear that the government would like to dismantle many of the old controls and to move toward a more purely capitalist agriculture. Such a move will not be easy because of the shrinking of the international market for Egyptian exports, the legacy of Nasserist policies, and the contradictions of the process itself.

Perhaps the worst immediate problem is that the neglect of drainage has begun to bear its insidious fruits. By the mid-1970s, some 80 percent of the most productive lands in the country had been affected. A soil survey revealed that roughly 50 percent of the best lands had deteriorated to the extent that they are now classified as "medium or poor soils." The problem had been recognized in the late 1960s. Due to the large investments needed, and due to the very tight capital constraint after the June War, the government sought, and obtained, IBRD loans for drainage installation. But construction has lagged behind schedule due to the lack of cement, overloaded ports, inadequate equipment, and labor bottlenecks. This last problem is especially acute; engineers and skilled labor increasingly have been taking higher-paying jobs in OPEC countries.

The agricultural trade problem is multifaceted, but its essence is fairly simple. The increased percentage of the population in the cities has raised the domestic demand for wheat and rice. The economic liberalization has joined with this urban growth to raise demand for milk, meat, and other high-income elasticity goods. In effect, middle-class urban demand, pent up under Nasser, has been released under Sadat. The price explosion for wheat in 1972-74, resulting from the acceleration of inflation in the West and the devaluation of the dollar, greatly increased the per-unit cost of imports. At the same time, the complex of selective price controls and coop corruption lowered cotton production (the principal export) and reduced the production of wheat and rice. The problems of drainage and the lack of fodder for animals inhibited the growth of crop yield.

The regime's current strategy to deal with these problems is largely a market solution. The regime continues to give relatively low priority to agriculture. One occasionally still hears grandiose land-reclamation schemes, usually now centering on the Sinai. Howev-

er, other voices in the regime, including, significantly, presidential confidante Sayyid Marei, favor "vertical expansion." There are plans to push ahead with the construction of a drainage network; it is not evident how the transportation and skilled labor bottlenecks, which have impeded its construction to date, will be overcome. There is substantial pressure both from within the Ministry of Agriculture and from international lending agencies to dismantle the selective price-control system. So far little has been done.

The main hope, apart from improved drainage and incentives, appears to be a reallocation of cropping patterns. Shifting to higher-value crops, especially vegetables, has long been advocated by observers of the Egyptian economy. Such a policy would make the most intensive use of land, and also provide badly-needed employment. Agricultural planners do not seem to envision the development of large-scale, year-round exports to Europe; the already highly-protectionist agricultural trade policy of the EEC is only likely to worsen if additional Mediterranean countries, like Spain and Greece, are admitted to full membership. Because Egypt can grow some crops (e.g., grapes) when the Spaniards and the Italians cannot, they do hope to be able to make some off-season exports to Western Europe. The main market for horticultural exports, though, seems to be the Gulf and the domestic market. The agricultural sector will cater to the demands of wealthier, largely Arab, consumers.

Regardless of the final consumers, the "vegetable option" faces horrendous marketing problems. The current physical infrastructure is utterly inadequate even for the current level of vegetable output, much less for a greatly-expanded volume of fresh produce. Cairo has one principal wholesale vegetable market (at Rod al-Farrag). Built in the late 1940s, when the population of the city was only 2.5 million, it is surrounded by a high wall and has basically two entrances, each just wide enough to let two trucks in abreast. Packing and handling are entirely unmechanized; as a result, considerable damage is done to the produce, especially to the fresh vegetables which come on donkey carts packed in hand crafted palm or bamboo crates. Such woeful inadequacies are repeated at every level, from the overcrowded road network to the jammed ports. Remedying these problems would be necessary for any large-scale expansion of vegetable production; such remedies would require large amounts of unavailable foreign exchange.

Another option is to try to increase the export of cotton and rice for foreign exchange, along with increasing fruit and vegetable production. This is often combined with recommendations to reduce full-season clover and to reduce the number of work animals. This would release the land planted in clover for other uses, and allow livestock production to become oriented to meat and dairy production, rather than traction power. These remaining animals would be fattened on maize and sorghum. Mechanization of land preparation, threshing, and irrigation work would make this all possible. Indeed, the government is committed to mechanization: the Five-Year Plan calls for the complete mechanization of agriculture by 1990. Such policies are widely supported by external aid agencies, such as USAID and the World Bank.

Although this argument is appealing at first glance, the alleged production gains may be illusory: the evidence for mechanization's independent contribution to increasing land yields is very weak. Further, it seems clear that farmers will not get rid of their animals, both because government

price policies favor animal husbandry and because of the animals' multiple functions for small holders. In addition to traction power, the animals provide highly-profitable milk, meat, and cheese for sale. Those who do not sell the cheese consume it directly. Such cheese is a primary protein source for the fellahin: buffalo cheese has twice as much butterfat content as cattle cheese. The animals constitute a kind of insurance. If farmers have a bad year or are faced with a major financial crisis, they can sell the animals. It is likely that owning at least a share of such animals is necessary if a farmer wishes to lease additional land. The fact that peasant-owned work animals are so deeply embedded in the current social structure militates against any large reduction in their numbers and a consequent release of fodder land for other uses.

Nevertheless, mechanization is proceeding fairly rapidly. The number of locally-assembled tractors has doubled from 1973 to 1977; tractors were imported so rapidly after 1973 (from 1500 in 1973 to 6061 in 1977) that the market was oversold; the government has promoted the purchase of tractors in a variety of ways: over 90 percent of imported tractors were purchased at the old, grossly overvalued exchange rate. Loans for tractor purchases bear an interest of 8 to 11 percent (while rural inflation is at least 30 percent per year), and diesel fuel is heavily subsidized, costing only 3 to 5 piasters per liter. Such policies not only favor importers, wholesalers, and other middlemen; tractors are often owned by relatively small landowners (holding between two and eight feddans), who supplement their incomes by renting tractors to other farmers. As a result of these rental practices and the increased numbers of tractors and threshers, land preparation and threshing are now almost entirely mechanized in some Delta provinces. Upper Egypt, as usual, lags behind.

The principal reason for this change is an alleged "labor shortage." There is evidence of increasingly tight rural labor markets. Real wages of agricultural workers have risen rapidly recently: from 1972 to 1979, average daily wage rates have risen some 350 percent, while the rural Consumer Price Index has risen only 200 percent. Workers usually stop work at around 12:00 or 2:00 p.m. and demand such "fringes" as meals, tea, and cigarettes. The factors underlying such changes are rural to urban migration, stimulated by the construction boom and by urban food subsidies; overseas migration; spreading rural education; and the military draft. Except for migration to OPEC countries, each of these forces can be traced to state capitalist policies. Given continued population growth and weak industrial development, the labor shortage may prove to be temporary.

The extension of education, the guarantee of government jobs to college graduates, and the great expansion of the government role in the economy were central to Nasserist state capitalism. Such policies have had a cumulative effect, stimulating a movement from fields to offices, rather than from fields to factories. Workers refuse to work as long, as meticulously, and for as little pay as formerly. They carry this heightened consciousness abroad; one study of Egyptian workers overseas notes that "Egyptians are more ready to invoke labor laws against their employers than are other nationals." Here, too, Nasser's policies may have played a role; his labor laws in industry greatly reduced the force of that classic instrument of capitalist work discipline, "the sack."

In the absence of viable independent trade unions, market forces are behind these

recent changes in labor, and the balance may shift against labor in the near future. The rural population continues to grow, and there may well be a net return of Egyptians from abroad when the OPEC countries complete the so-called "construction phase" of their development. The construction boom, overwhelmingly based on luxury consumption, is also likely to be short lived. There is a catastrophic urban housing shortage in Egypt, but remedying it would require either effective demand from the poor or a vast program of public housing construction. Neither seems at all likely under the current regime.

The labor displaced by agricultural mechanization could be employed in industry. In capitalist Third World countries, labor-intensive industrial development has been strongly export-oriented, as in Taiwan,

South Korea, or Singapore. But the international conjuncture frustrates such a path. The regime's inability to tap the expanded resources of the nouveaux riches and the resurgent middle (and upper) classes, and to channel them away from conspicuous consumption and capital flight into productive investment, reduces the local capital which would be necessary for such a strategy. At the same time, continued political instability, infrastructural problems, and worker consciousness reduce Egypt's attractiveness for multinational industrial (and agricultural) investment.

A tentative generalization and summary of recent trends suggests the following: (1) the current motor of change in rural Egypt may usefully be viewed as the contradictions of state capitalist development. (2) The position of rich peasants and "closet

pashas" has been strengthened and consolidated. The expansion of fruit orchards (typically by absentee capitalists), of agricultural mechanization (often on a custom-hire basis), of meat and milk production for middle-class and foreign tourist consumption—all indicated an acceleration of capitalist development in agriculture during the last five years. (3) In a contradictory direction, the legacy of Nasserist policies and the OPEC boom have strengthened rural labor's hand, to which mechanization, fruit planting, and meat production are, at least in part, a response. (4) These capitalist developments are likely to generate further contradictions and a further sharpening of class conflict, because of the international economic conjuncture, the continued (indeed, increasing) economic dependence of the Egyptian bourgeoisie, and the weakness of the current regime. ●